



SPEL Semiconductor Limited

an IC Assembly & Test Company

Aug 17, 2017

To,
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001.

Kind Attn. Mr. Prasad Bhide

Dear Sirs,

Sub : Annual Report for FY 2016-17

Further to our mail dated Aug 17, 2017, wherein we have attached Annual Report of the Company for FY 2016-17, please find attached the same for your kind information and records.

Kindly acknowledge receipt.

Thanking you

Yours faithfully
For SPEL Semiconductor Limited


S.S. Arunachalam
Company Secretary & Compliance Officer

Encl: as above.

Registered Office & Factory
5 CMDA Industrial Estate
MM Nagar (Chennai) 603 209, India
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SPEL Semiconductor Limited

an IC Assembly & Test Company

32nd Annual Report

2016-17

(Abridged)

Defining The Future Through Partnerships

SPEL Semiconductor Limited

Board of Directors

- | | |
|-----------------------------|---------------------------|
| 1. Mr. K. Ravikumar | Director |
| 2. Mr. M. Jayasankar | Director |
| 3. Dr. Enakshi Bhattacharya | Director |
| 4. Mr. D. Balakrishnan | Whole Time Director & CEO |

Chief Financial Officer

Mr. V. Srinivasan

Company Secretary & Compliance Officer

Mr. S. S. Arunachalam

Auditors

M. S. Krishnaswami & Rajan,
GB, Anand Apartment, Ground Floor,
JP Avenue, 6th Cross Street,
Dr. Radhakrishnan Salai, Mylapore,
Chennai 600 004.

Registered Office & Factory

5 CMDA Industrial Estate,
MM Nagar (Chennai) 603 209, India.

Bankers

Indian Overseas Bank

Registrar & Share Transfer Agents

Cameo Corporate Servies Limited,
Subramanian Building,
Vth Floor, 1 Club House Road,
Chennai 600 002.
Tel : (044) 2846 0390
Fax: (044) 2846 0129



Previous 5 years performance

(₹ In Lakhs)

	2016-17	2015-16	2014-15	2013-14	2012-13
Sales	35,66.70	25,85.04	47,19.37	63,38.90	80,76.92
PBIDT	1,36.49	(9,86.62)	13,68.29	15,86.20	11,97.01
Finance Cost	2,66.93	3,04.40	4,04.29	4,70.37	5,84.01
PBDT	(1,30.44)	(12,91.02)	9,64.00	11,15.83	6,13.00
Depreciation	7,11.10	10,71.32	10,12.40	10,96.13	11,85.06
PBT	(8,41.54)	(23,62.34)	(48.40)	19.70	(5,72.06)
Tax Expense	37.00	(3,83.33)	(13.18)	(12.48)	(1,17.03)
PAT	(8,78.54)	(19,79.00)	(35.22)	32.18	(4,55.03)
Net Profit	(8,78.54)	(19,79.00)	(35.22)	32.18	(4,55.03)

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Notice

Notice is hereby given that the 32nd Annual General Meeting of the Members of SPEL Semiconductor Limited will be held at 3.30 pm on Thursday, Sep 7, 2017 at the Registered Office of the Company, No.5 CMDA Industrial Estate, Maraimalai Nagar 603 209 to transact the following business :

Ordinary Business

1. Adoption of Financial Statements

To receive, consider and adopt the Balance Sheet as at Mar 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.

2. Retirement by Rotation

To appoint a Director in place of Mr.D. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.

3. Ratification of Appointment of Auditors

“Resolved that pursuant to provisions of Section 139 of the Companies Act 2013, and Rules thereunder, re-appointment of M/s. M. S. Krishnaswami & Rajan, Chartered Accountants (Firm Regn. No.01554S), as the Statutory Auditors of the Company to hold office from the conclusion of this AGM to the conclusion of next AGM be and is hereby ratified”

Special Business

4. Service and Delivery of Documents

To consider fixing minimum fee for serving various documents on Members of the Company and in this regard, consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

“Resolved that pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company may serve documents on its Members, by sending the document(s) that

he / she is entitled to receive as a Member under the Act by Post or by Registered Post or by Speed Post or by Courier or such electronic or other mode as may be prescribed, depending on event and circumstance of each case from time to time”.

“Resolved further that the Board of Directors of the Company or its duly constituted Committee be and is hereby authorized to decide, in respect of any advance request for sending documents in a particular mode of delivery by any Member provided at least one week in advance of the dispatch of the document by the Company along with requisite fee duly received by the Company and that no such request shall be entertained by the Company post/dispatch of such documents by the Company to the Member, the charges payable for such delivery, as prescribed below for each mode of dispatch”.

Sl. No.	Mode of Despatch	Minimum rate per document at the minimum slab of the weight of the document in each category (in ₹)	
		With in India	International
1.	Ordinary	15	1.2 times of the post actual
2.	Registered Post	100	
3.	Speed Post	100	
4.	Courier	100	
5.	Electronic Mail	20	20



“Resolved further that the Board of Directors of the Company or its duly constituted committee be and is hereby authorized to amend or alter such charges from time to time either keeping in view the change of charges as applicable to that mode or in any situation so warrants and to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Explanatory Statement

Section 20 of the Companies Act, 2013 which deals with service of documents, inter-alia, enables the Company to dispatch any document to a Member as per his preferred mode on receipt of specific request subject to deposit of such fee as determined by the Members in the general meeting. Accordingly, consent of the Members is sought for passing a resolution authorizing the Board of Directors to decide the fee payable as set out at item No. 4 of the Notice on dispatch of document as per the choice of mode selected by any Member of the Company.

The Board recommends the resolution for approval of the Members in the best interest of the Company. The rate indicated in the resolution is minimum rate per document at the minimum slab of the weight in the respective category of each mode of dispatch as mentioned thereat.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any other officials of the Company is, in any way, financially or otherwise, concerned or interested in the resolution.

By order of the Board
for SPEL Semiconductor Limited

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242.

Chennai
May 30, 2017

Notes

1. Details required under Listing Agreement with the Stock Exchanges, of persons seeking appointment / re-appointment is annexed.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy/ Proxies to attend and vote instead of himself/herself. Such a Proxy / Proxies need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of Companies, Societies etc., must be supported by an appropriate resolution/ authority, as applicable.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Sep 1, 2017 to Sep 7, 2017 (both days inclusive).
5. For Shares held in physical form, any change in address may be intimated immediately to the Company/Share Transfer Agent by quoting the Folio Number(s). For Shares held in Demat form, change in address may be intimated directly to the Members' DP. Members are requested to address all correspondences to the Registrar and Share Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, 1 Club House Road, Chennai 600 002.



6. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Electronic copy of the Abridged Annual Report is being sent to all the Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Abridged Annual Report is being sent in the permitted mode.

Members may note that the Notice of the 32nd Annual General Meeting and full Annual Report will be available on the Company's website www.spel.com for download. Physical copies of full Annual Report will be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to full Annual Report in physical form, upon making a request for the same, by post free of cost. For any

communication, the Shareholders may also send requests to the Company's Investor eMail id : investors@spel.com.

9. Voting through electronic means
In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for Shareholders voting electronically are as under :

- a. The voting period begins at 9.00 am on Sep 4, 2017 and ends at 5.00 pm on Sep 6, 2017. During this period Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Aug 31, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b. The Shareholders should log on to the e-voting website www.evotingindia.com.
- c. Click on Shareholders.
- d. Now Enter your User ID
 - i. For CDSL : 16 digits beneficiary ID,
 - ii. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login
- f. If you are holding shares in demat form



and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

- g. If you are a first time user follow the steps given below:
- h. After entering these details appropriately, click on "SUBMIT" tab.

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders).</p> <ul style="list-style-type: none"> + Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. + In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> + Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (c).

- i. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- q. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- r. Note for Non – Individual Shareholders and Custodians
- i. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ii. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - iii. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- vi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.
- Note : e-Voting shall not be allowed beyond said time.

By order of the Board
for SPEL Semiconductor Limited

Chennai D. Balakrishnan
May 30, 2017 Whole Time Director & CEO
DIN: 02131242

Annexure

Details of Directors seeking Appointment – Reappointment at the Annual General Meeting

Name of the Director	Mr. D. Balakrishnan
Date of Birth	Dec 8, 1963
Date of Appointment	Jun 19, 2014
Qualification	Degree in Engineering (Electronics & Communication) from Bangalore University.
Expertise in Specific functional areas	He has over 23 years of experience in the Semiconductor Industry. He has been instrumental in scaling operations and possesses exceptional Leadership qualities besides proving his mettle in Team Building, Production Planning & Control and Resource Management.
Chairmanship / Directorship of other Companies (excluding Foreign companies and Section 25 Companies)	-----
Committee position held in other Companies	-----
Shareholding (No. of Shares)	10,000 shares



Directors' Report

Your Directors present the 32nd Annual Report of the Company together with the Audited Accounts for the year ended Mar 31, 2017.

1. Financial Highlights / Performance

The Operating results of your Company for the year ended Mar 31, 2017 are given below

(₹ in Lakhs)

Particulars	Year ended Mar 31, 2017	Year ended Mar 31, 2016
Sales	35,66.70	25,85.04
Other Income	1,92.84	81.74
PBIDT	1,36.49	(9,86.62)
Interest	2,66.93	3,04.40
Depreciation	7,11.10	10,71.32
Profit before Taxation	(8,41.54)	(23,62.34)
Tax / Deferred Tax	37.00	(3,83.33)
Profit after Taxation	(8,78.54)	(19,79.00)

During this FY 2016-17, the turnover of the Company got improved. However, due to aftermath of the Employees unrest in the previous year, the recovery was considerably low. Though H1 FY 2016-17 first quarter was good, Q3 FY 2016-17 was the worst in the year as we had several natural calamities with delayed material deliveries. Q4 FY 2016-17 was good as order receipts increased significantly. Customer demands for the existing products & packages were volatile however have seen phased increase in order receipts. The Promoters of the Company had infused ₹ 13.5 Crs. during the year under review. The Company had also sold 5.8 acres of unutilized barren land pursuant to the special resolution passed by the Shareholders. This had assisted the Company to recover from the damages that had impacted due to labour unrest as mentioned above.

Your Company had maintained good relationship with all its Customers in US & Europe. Have seen good improvement in capturing business from one of the big Customers in the US and expected to improve production orders in FY 2017-18. The outlook for FY 2017-18 is good and SPEL has plans to induct new Customers from Europe & US regions.

The business with most of the Important, Growing and Emerging Customers is good. SPEL was able to have improved orders, new product introductions from these Customers.

2. Dividend

Due to the loss for the year, dividend could not be paid during the year.

3. Reserves

The reserves of the Company has been reduced from ₹ 21,06.74 lakhs to ₹ 12,28.21 lakhs at the end of the year.

4. The Global Semiconductor Industry

Semiconductor industry posted sales totalling ₹ 338.9 billion in 2016, the industry's highest-ever annual sales and a modest increase of 1.1% compared to the 2015 total Globally. Fourth quarter sales of \$93.0 billion were 12.3% higher than the total from the fourth quarter of 2015 and 5.4% more than the third quarter of 2016.

The Asia-Pacific region saw growth of +1.6% over 2015 (\$106.2B in 2016) and accounts for approximately 31% of total global sales. China was the largest market in 2016, accounting for 31.1% (\$105.3B) with a growth of +9.2% over last year, Japan saw sales recover by +3.8% over last year (\$32.1B in 2016), although still not at the level of sales in 2014. The Americas and Europe saw a decline over prior year of -4.7% and -4.5% respectively.



In the India context, the Semiconductor industry is currently dominated by design services and embedded software, the Semiconductor consumption in India is likely to increase with consumer Electronics, Telecommunication segment, Instrumentation leading the growth. The major players in various Semiconductor segments are already present in India. The next opportunity and the industry segment is the Semiconductor manufacturing scenario in India.

Forecast for FY 2017-18

Mixed growth seen in 2016 will turn into a broad and more consistent growth in 2017. Areas to watch for in 2017 are the industrial, automotive and storage markets, which are growing quickly but represent a smaller portion of the overall market. The slow-growth outlook for traditional applications such as smartphones and PCs highlights the importance of Semiconductor markets outside of these categories, notably the IoT.

Globally Semiconductor revenue is forecasting a total of \$364.1 billion in 2017, an increase of 7.2% from 2016. The worst is now over with a positive outlook emerging for 2017 driven by inventory replenishment and increasing Average Selling Prices (ASPs) in select markets, particularly commodity memory and application-specific standard products.

Market Drivers for future

IDC estimates that the IoT market will grow at a 16.9% CAGR by 2020, at which time the market will represent \$1.7 trillion. Through this period, spending will be focused on devices (31.8% of total), with networking and IT services accounting for another third. IoT platforms, application software and as-a-service offerings will grow in the share of spending thereafter.

The Consumer Technology Association (CTA) expects U.S. consumer technology retail sales to be driven by Internet of Things (IoT) this year to touch \$287 billion. The CTA sees IoT

in three groups. The first is named Audio and Video, where smart TVs will grow 13%, streaming media players 5%, connected speakers and headphones 40% and wireless headphones 30%. The next category is the Smart Home, encompassing products like thermostats, smart smoke and CO2 detectors, IP/Wi-Fi cameras, smart locks, smart home systems, and smart switches, dimmers and outlets, which will grow 21%. The third category is wearable's, led by fitness trackers, which will grow 12% and smart watches, which will grow 22%.

The emerging fast-growing areas will be drones (up 149%), VR (up 440%) and 3D printing (up 64%). Smartphones, tablets and TVs are mature categories with shipments expected to grow a respective 5%, -9%, -1%. Laptops also play a role here with traditional devices expected to grow 2% and the hybrids, convertibles and detachable category growing 48%.

Automotive has been growing in importance, as the consumption of electronic components for safety, infotainment, navigation and fuel efficiency continues to increase. Semiconductor consumption in this market was worth around \$7 billion in 2015, according to Report linker. Primary areas of strength are hybrid electric vehicles, telematics and connectivity, and advanced driver assistance systems (ADAS), where the estimated 5-year CAGRs for chip demand are 20%, 19% and 18%, respectively.

Outsourced Assembly and Test (OSAT) Industry

The market is likely to witness moderate growth over the next five years and is estimated to expand at a CAGR of 5.8% during a six-year forecast period 2015 - 2021.

Semiconductor Companies prefer to remain fabless and concentrate on their



core capabilities, employing a third party expert for Testing, Assembly and Packaging of Semiconductor Assembly. This will primarily continue to create the demand for Semiconductor Assembly and Testing Service Providers over the forecast period 2015-2021.

As the key players are fabless companies, which have to focus more on the design part in order to enhance the performance of ICs and chipsets, they often prefer outsourcing of Semiconductor Assembly, Testing and Packaging Services to third party SATS providers. Over half of the market is occupied by outsourced Semiconductor Assembly and Testing (OSAT) Services. This will continue to fuel the demand for SATS during the next few years.

The Indian Semiconductor Industry

The Indian Electronic System Design and Manufacturing (ESDM) market will grow to US\$ 400 billion by 2020. Consumption of Semiconductors, in the meantime, has also steadily climbed. According to a report by NOVONOUS, the Semiconductor industry is estimated to grow to US\$ 52.58 billion in 2020 at a Compound Annual Growth Rate (CAGR) of 26.72%.

The Indian Semiconductor industry offers high growth potential areas as the industries which source Semiconductors as inputs are themselves witnessing high demand. The end-use industries such as mobile devices, telecommunication equipment, information technology, office automation (IT&OA), industrial machinery, automobiles and several other industries have applications for computing in some form or other and thereby necessarily have growing demand for Semiconductors. Now with the concept of Internet of Things (IoT) picking up momentum, the next generation of interconnected devices would further increase the demand for intelligent computing, thereby

creating sustainable demand for Semiconductors.

5. Company Performance

Your Company still continues to be the First & only Semiconductor IC assembly & Test production facility. It is continuously maintaining this position despite the market fluctuations and other external factors.

During the current financial year, your Company had invested around ₹ 13.50 Crs. to address a) Production bottlenecks to improve productivity b) Modernization of Equipment for enhanced product mix and c) equipping itself for future expansions. This would enable SPEL to address increased outsourcing from present & potential Customers during FY 2017-18. Also most of the long term liabilities were settled to result healthy financials.

The performance of your Company had improved significantly as compared to previous Financial Year and plans are in place to further improve significantly during the years to come. This is evident from the business with most of the Important / Growing / Emerging Customers is on the rise during Q1 FY 2017-18. There have been improved orders, new product introductions & Customer additions during this year. This was made possible due to the Engineering, Application support from SPEL apart from the QCDS factors (Quality, Cost, Delivery, Service).

SPEL was able to strengthen relationship with its one of the biggest European Customers and the volumes are growing. The outlook for FY 2017-18 is good and other strategic partnership for new projects like Smartcard Module manufacturing are being discussed.



The demand for the packages supported by SPEL is steady for leaded packages and growing for QFN sand contribution is expected to increase in future years.

- a. Leaded Packages – SPEL is able to find opportunities for increased loading from existing Customers to utilize the available capacity. No new Capacity additions have been planned
- b. QFN Packages – Demand is growing. Flip Chip QFN is witnessing more growth than normal QFN and SPEL is planning to have this capability in the next Financial Year.

6. Human Resources Development

Your Company has enthroned the attributes listed below as its Core Values. The Management will assiduously practice and enthuse its Employees to imbibe these virtues. Towards this end training is imparted every month, every Employee goes throughout the drill at least once in six months :

- a. Business Ethics : defines us as a Company
- b. Professionalism : defines us as Individuals
- c. Citizenship : defines our contribution to Society

SPEL's medium for Corporate Social Responsibility (CSR) is through Socio-Economic Contribution (S-E-C) and SPEL Employees Social Service Organization (SESSO). For most people, the idea of Social Service is donating money to a social organization - perhaps an old-age home or an orphanage or similar. This however is the easy part. The difficult part is volunteering one's time to improve society.

When can we make a contribution to Society?
During Phase 1 of our lifetime, perhaps up to the age of 35, we are so focused on building our careers, starting our families & establishing a name for ourselves

During Phase 2 perhaps from age of 35 thru 65, we are the most active in our work, working as a team, being able to significantly contribute to Economic Development

During Phase 3 perhaps from age 65 onwards, we are most able to contribute our time on an increased basis to social causes S-E-C at SPEL is all about how we can contribute socially during Phase 2 itself while also handling Economic Development. Towards this, there are 3 areas that each of us can assist by making these a part of our day to day approach:

1. Following discipline in any and everything we do
2. Providing a helping hand to people around us in any way we possibly can
3. Showing the right path forward to people around us S-E-C in SPEL is primarily done by One-to-One Mentoring as each person encourages & motivates the other, towards a more purposeful & effective lifestyle. As part of the core values, following activities were undertaken through SESSO :
 - i) Educational assistance to the needy people in and around Factory.
 - ii) Voluntary Blood Donation camp.
 - iii) Assistance to orphanage and old age home located near Factory.

7. Material changes affecting the financial position of the Company which have occurred between the end of Financial Year and the date of the report.

Nil

8. Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

Nil



9. Adequacy of internal financial controls with reference to the Financial Statements.

Details in respect of internal financial controls and their adequacy are included in the MDA, which forms part of this report.

10. Subsidiary/Joint Ventures/Associate Companies

Nil

11. Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

12. Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. M. S. Krishnaswami & Rajan, Chartered Accounts, (Firm Registration No.01554S) were appointed as Statutory Auditors of the Company from the conclusion of the 29th Annual General Meeting (AGM) of the Company held on Sep 15, 2014 till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2018, subject to ratification of their appointment at every AGM.

13. Share Capital

There has been no change in the Share Capital of the Company during the year.

14. Extract of the annual return

As provided under Section 92 (3) of the Act, the extract of annual return is given in annexure in the prescribed Form MGT-9, which forms part of this report.

15. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of Energy

The Company has in place an Energy Committee which meets once a month. This Committee consists of Cross-functional Executives. It assesses the potential areas, develops means to save energy and implements the plan with the approval of the Management.

Measures were taken during the year to conserve water and electricity resorting to reuse of Dicing process water, rain water harvesting, power factor improvement and investment on air cooled chillers and air compressors.

Savings in Electricity (Units)	5.3L Units
Savings in Water Consumption	6200 KL

Technology Absorption

The particulars regarding Technology Absorption are not applicable to your Company.

Foreign Exchange Earnings and Outgo

Your Company is a 100% Export Oriented unit and is constantly striving to increase its exports.

Foreign Exchange used during the year	: ₹11,92.36 Lakhs
Foreign Exchange earned during the year	: ₹24,76.70 Lakhs

16. Research & Development (R&D)

The Company has carved out an ambitious plan of investment in R&D. This will include investment in Package Intellectual Property, thereby assisting Company's revenue and profitability in the future years.

17. Directors and Key Managerial Personnel

There was no change in either the Board position or Key Management Persons during the year under review.



18. Number of meetings of the Board

Four Meetings of the Board were held during the year. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

19. Audit Committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report

20. Vigil Mechanism for Directors and Employees

The Company has a vigil mechanism by way of Whistle Blower Policy to provide a Vigil Mechanism for Employees and Directors to report genuine concerns. The provisions of this policy are in line with Section 177 (9) of the Act and Clause 49 of the Listing Agreement. A copy of the policy is uploaded in the website of the Company.

21. Nomination and Remuneration Committee

The details pertaining to Nomination and Remuneration Committee are included in the Corporate Governance Report, which forms part of this report

22. Loans, Guarantees or Investments

Particulars of loans, guarantees and investments have been disclosed in the financial statements

23. Contracts or Arrangements with Related Parties

The particulars of every contract or arrangements entered into by the Company with Related Parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC -2.

24. Managerial Remuneration

Managerial Remuneration is given in annexure which forms part of this report.

25. Secretarial Audit Report

Secretarial Audit Report is given as annexure, which forms part of this report.

26. Formal Annual Evaluation of Board on its own performance, Committees of the Board and the individual Directors

The Board of Directors has carried out an annual evaluation of its own performance, Committees of the Board and the individual directors pursuant to the provisions of the Act and Corporate Governance as prescribed under Regulation 17(10) of SEBI (LODR) Regulation 2015.

In a separate meeting of the independent directors, performance of the Non-Independent director and performance of the Board as a whole was evaluated.

27. Familiarization Programme for Independent Directors

The Company has prepared and presented a power point presentation for Independent Directors in order to enable them to familiarize with the Company's Policies and Practices.



28. Risk Management

A Risk Management Committee to identify and monitor the risks has been formed with a responsibility to review the risks and evolve mitigation plan required. Periodical action is taken to address the major risks identified.

29. Corporate Governance Certificate

The Corporate Governance Certificate from the Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with this report.

30. Reply to comments by Secretarial Auditor in his report

Regarding the comment that the Company is not regular in depositing undisputed PF, ESI, Income-tax (TDS), Property dues & Listing Fee, the Management is confident that the situation will improve, based on the austerity steps and proactive measures taken during the year. This in-turn will improve the liquidity and ensure that the statutory dues will be paid regularly in the future. In respect of non-filing of MGT-14, Company will be filing the necessary forms.

31. Directors' Responsibility Statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that :

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period.

- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and ther irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively and
- (f) they have devised proper systems to ensure compliance with the Provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of Internal Financial Controls and Compliance Systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and external Consultants and the reviews performed by the Management and the relevant Board Committees, Including the Audit Committee, the Board is of the opinion that the Company's Internal Financial Controls were adequate and effective during the financial year 2016-17.



32. Acknowledgements

Your Directors place on record their gratitude especially to the Promoters, who had assisted significantly towards the recovery bath. Directors also placed on record their gratitude to the Government of India, the Government of Tamil Nadu, Financial Institutions, Bankers, Insurance Companies, Customs & Excise authorities, valued overseas Customers & Vendors and the Promoters for the continued assistance and support extended to the Company.

Yours Directors wish to place on record, their appreciation of the efficient and loyal services rendered by the supportive Employees at all levels of the Company. Yours Directors wish to thank the Shareholders who constitute the mainstay of the Company for their unstinted support, forbearance confidence reposed on the Management

By order of the Board
for SPEL Semiconductor Limited

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Dr. Enakshi Bhattacharya
Director
DIN : 05277571

D. Balakrishnan
Whole Time
Director & CEO
DIN : 02131242

Chennai
May 30, 2017

Form No.AOC -2

(Pursuant to Clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso there to :

1. Details of contracts or arrangements or transactions not at arm's length basis : Nil
2. Details of materials contracts or arrangement or transactions at arm's length basis :
The Company had sold 3.1 acres of land at the prevailing market rate as per the Special Resolution passed by the Shareholders.

for SPEL Semiconductor Limited

Chennai
May 30, 2017

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242



S.I.No.	Particulars	Explanation	Ratio to median Remn.
1.	The ratio of remuneration of each director to the median remuneration of the employee of the Company of the financial year	Mr. D. Balakrishnan, Director & CEO	8.55
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	NIL	
3.	The percentage increase in the median remuneration of employees in the financial year.	1%	
4.	The number of permanent employee on the rolls of the company.	333 Employees	
5.	The explanation on the relationship between average increase in remuneration and company performance	Increase in the remuneration of employees is in line with industry standards	
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The remuneration of the KMP's are in line with the remuneration policy of the company where their remuneration is determined based on their performance which is co related to the performance of the company.	
7.	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies the variations in the net worth of the company as at the close of the current financial year and previous financial year.	Particulars Mar 31, 2017 % Change Market capitalization 70,55,96,878 14.26 % Price Earnings Ratio -8.05 -158%	



8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There was no increase in the managerial remuneration								
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	<p>Comparison of the remuneration of the key managerial personnel against the performance of the company aggregate remuneration of key managerial personnel (KMP) in 2017.</p> <table data-bbox="922 981 1374 1272"> <tr> <td>Revenue in (Lakhs)</td> <td>37,59.54</td> </tr> <tr> <td>Remuneration of KMPs (as % of revenue)</td> <td>1.63%</td> </tr> <tr> <td>Profit before tax (PBT) (Lakhs)</td> <td>(8,41.54)</td> </tr> <tr> <td>Remuneration of KMPs (as % of PBT)</td> <td>-7.29</td> </tr> </table>	Revenue in (Lakhs)	37,59.54	Remuneration of KMPs (as % of revenue)	1.63%	Profit before tax (PBT) (Lakhs)	(8,41.54)	Remuneration of KMPs (as % of PBT)	-7.29
Revenue in (Lakhs)	37,59.54									
Remuneration of KMPs (as % of revenue)	1.63%									
Profit before tax (PBT) (Lakhs)	(8,41.54)									
Remuneration of KMPs (as % of PBT)	-7.29									
10.	The key parameters of any variable component of remuneration availed by the directors	Not Applicable								
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable								
12.	Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration of Directors, senior management and employees is as per the remuneration policy of the company.								



Management Discussion & Analysis

The Global Semiconductor Industry

Global Semiconductor industry posted sales totalling \$338.9 billion in 2016, the industry's highest-ever annual sales and a modest increase of 1.1% compared to the 2015 total. Fourth quarter sales of \$93.0 billion were 12.3% higher than the total from the fourth quarter of 2015 and 5.4% more than the third quarter of 2016.

China was the largest market in 2016, accounting for 31.1% (\$105.3B) with a growth of +9.2% over last year, Japan saw sales recover by +3.8% over last year (\$32.1B in 2016), although still not at the level of sales in 2014. The rest of the Asia-Pacific region saw growth of +1.6% over 2015 (\$106.2B in 2016) and accounts for approximately 31% of total global sales. The Americas and Europe saw a decline over prior year of -4.7% and -4.5% respectively.

In the India context, the Semiconductor industry is currently dominated by design services and embedded software, the Semiconductor consumption in India is likely to increase with consumer Electronics, Telecommunication segment, Instrumentation leading the growth. Further each segment the Semiconductor products like microprocessors, microcontrollers, memory, and DSP across each segment have tremendous potential. The major players in various Semiconductor segments are already present in India. The next opportunity and the industry segment is the Semiconductor manufacturing scenario in India.

Forecast for FY 2017-18

Overall, the mixed growth seen in 2016 will turn into a broad and more consistent growth in 2017. Areas to watch for in 2017 are the industrial, automotive and storage markets, which are growing quickly but represent a smaller portion of the overall market. Additionally, the slow-growth outlook for traditional applications such as smartphones and PCs highlights the importance of Semiconductor markets outside of these categories, notably the IoT.

Worldwide Semiconductor revenue is forecast to total \$364.1 billion in 2017, an increase of 7.2% from 2016, the worst is now over with a positive outlook emerging for 2017 driven by inventory replenishment and increasing average selling prices (ASPs) in select markets, particularly commodity memory and application-specific standard products.

Market Drivers for future

The global Semiconductor industry has posted strong sales early in 2017, with memory products leading the way, said John Neuffer, president and CEO, Semiconductor Industry Association. "Year-to-year sales increased by double digits across most regional markets, with the China and Americas markets showing particularly strong growth. Global market trends are favorable for continuing sales growth in the months ahead for memory products.

The Consumer Technology Association (CTA) expects U.S. consumer technology retail sales to be driven by Internet of Things (IoT) this year to touch \$287 billion. The CTA sees IoT in three groups. The first is named Audio and Video, where smart TVs will grow 13%, streaming media players 5%, connected speakers and headphones 40% and wireless headphones 30%. The next category is the Smart Home, encompassing products like thermostats, smart smoke and CO2 detectors, IP/Wi-Fi cameras, smart locks, smart home systems, and smart switches, dimmers and outlets, which will grow 21%. The third



category is wearable's, led by fitness trackers, which will grow 12% and smart watches, which will grow 22%.

The emerging fast-growing areas will be drones (up 149%), VR (up 440%) and 3D printing (up 64%). Smartphones, tablets and TVs are mature categories with shipments expected to grow a respective 5%, -9%, -1%. Laptops also play a role here with traditional devices expected to grow 2% and the hybrids, convertibles and detachable category growing 48%.

IDC estimates that the IoT market will grow at a 16.9% CAGR by 2020, at which time the market will represent \$1.7 trillion. Through this period, spending will be focused on devices (31.8% of total), with networking and IT services accounting for another third. IoT platforms, application software and as-a-service offerings will grow in the share of spending thereafter.

Automotive has been growing in importance, as the consumption of electronic components for safety, infotainment, navigation and fuel efficiency continues to increase. Semiconductor consumption in this market was worth around \$7 billion in 2015, according to Report linker. Primary areas of strength are hybrid electric vehicles, telematics and connectivity, and advanced driver assistance systems (ADAS), where the estimated 5-year CAGRs for chip demand are 20%, 19% and 18%, respectively.

Outsourced Assembly and Test (OSAT) Industry

The global Semiconductor assembly and testing services market is value projected for a value worth US\$ 24.72 Bn by the end of 2016. The market is likely to witness moderate growth over the next five years and is estimated to expand at a CAGR of 5.8% during a six-year forecast period 2015-2021.

The Semiconductor processing technology is rapidly shifting to larger wafer fabrication with smaller feature size; however, wafer fabrication involves higher CAPEX and operational costs for Testing and Packaging. Building and maintaining a state-of-the-art factory for wafer fabrication is an expensive affair. Swelling costs of advanced packaging solutions are also expected to favor the SATS market. Semiconductor companies thus prefer to remain fabless and concentrate on their core capabilities, employing a third party expert for Testing, Assembly, and Packaging of Semiconductor Assembly.

As the key players are fabless companies, which have to focus more on the design part in order to enhance the performance of ICs and Chipsets, they often prefer outsourcing of Semiconductor Assembly, Testing, and Packaging Services to third party SATS providers. Over half of the market is occupied by Outsourced Semiconductor Assembly and Testing (OSAT) services. This will continue to fuel the demand for SATS during the next few years.

The Indian Semiconductor Industry

The Indian Semiconductor industry offers high growth potential areas as the industries which source Semiconductors as inputs are themselves witnessing high demand. The end-use industries such as mobile devices, telecommunication equipment, information technology, office automation (IT& OA), industrial machinery, automobiles and several other industries have applications for computing in some form or other and thereby necessarily have growing demand for Semiconductors. Now with the concept of Internet of Things (IoT) picking up momentum, the next generation of interconnected devices would further increase the demand for intelligent computing, thereby creating sustainable demand for Semiconductors. The Indian Electronic System Design and Manufacturing (ESDM) market will grow to US\$ 400 billion by 2020. Consumption of Semiconductors, in the meantime, has also steadily climbed.



SPEL's performance

The financial year FY 2016-17 had seen moderate in terms of order receipts. The first quarter was good, followed by second quarter. Third quarter was the worst in the year as we had several natural calamities with delayed material deliveries. Fourth quarter was good as order receipts increased significantly. Customer demands for the existing products & packages were volatile however have seen phased increased in order receipts.

SPEL maintained good relationship with all its customers in US & Europe. Have seen good improvement in capturing business from one of the big Customers in the US and expected to improve production orders in FY 2017-18. The outlook for FY 2017-18 is good and SPEL has plan to induct new Customers from Europe & US regions.

The business with most of the Important, Growing and Emerging Customers is good. SPEL was able to have improved orders, new product introductions from these customers. Also, have added few emerging Customers this year.

Sales during the year has been ₹ 35.67 Crores and it is higher than previous year due to increased order from some of the premier Customer as well as Orders from new Customers. Our performance has been better due to Promoters funding of ₹ 13.50 Crores during the year, which helped us in usage of Machinery as well as eased working capital requirements.

New Loss after tax of ₹ 8.78 crores during the year has improved from Net Loss after tax of ₹ 19.79 Crores during previous year due to improved sales during current year.

During the end of the FY 2016-17, your Company had sold 5.8 Acres of land after getting due approval of the Shareholders. The proceeds of this sale were utilized to settle some of the long term liabilities and for procuring materials to ramp-up production.

Global Trend for SPEL's package lines

The demand for leaded & QFN packages supported by SPEL is steady.

- a. Leaded Packages – SPEL is working with existing Customers to find opportunities for increased loading for this package segment for existing available capacity. No new Capacity additions have been planned
- b. QFN Packages – Demand for this segment is growing continuously. Flip Chip QFN is witnessing more growth than normal QFN and SPEL is planning to have this capability in the next Financial Year.

Outlook for FY 2017-18

The year FY 2017-18 will see moderate growth in overall Semiconductor Industry. SPEL will focus on the following for FY 2017-18.

1. Performance from Core Companies had been volatile during last FY and will focus to have consistent Sales by better service, adding more product lines & application segments
2. Will focus for increasing Sales from Industrial, Automotive, Medical and Military-Aerospace & will reduce dependence on 3C market which is very volatile and price sensitive
3. Adding new Customers – Planning to add new Customers both in Europe & US regions. Four new Customers identified and SPEL is closely working with them



4. IDT business – IDT has started increasing its loading & FC. SPEL is keen to address their requirements by providing faster CT & good quality
5. New Engineering trials – SPEL is keen on to fulfil Customer's requirement on PCB bonding, Open cavity package, Die to Die bond etc. Engineering team has taken trials and this will help to increase the revenue
6. Focusing on Pending RFQs – To have close follow up on the pending RFQ's and turn it into business opportunities from new Customers
7. Maintaining Inventory – In the past, delayed material delivery was one of the concerns for having lower volumes. SPEL ensures to adequate inventory to address Customers FC in this quarter
8. Growth within India – SPEL expects Make in India program to catch up very fast. Already, SPEL has tied up with various Government Organizations (including Defense) and Universities and supporting their Semiconductor Packaging requirements. Many new projects aiming indigenization are being discussed
9. Investment in technology, new packages & capacity addition
10. Improvising the Employee relationship through proactive measures.

for SPEL Semiconductor Limited

Chennai
May 30, 2017

D. Balakrishnan
Whole Time Director & CEO
DIN: 02131242



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on Mar 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	L32201TN1987PLC11434
ii. Registration Date	26.12.1984
iii. Name of the Company	SPEL Semiconductor Limited
iv. Category / Sub-Category of the Company	Limited by Shares
v. Address of the Registered office and contact details:	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209 Tel : 044 - 4740 5300 Fax: 044 - 4740 5303
vi. Whether listed company Yes/No	Yes
vii. Name, Address and Contact details of Register and Transfer Agent, if any	Cameo Corporate Services Limited, "Subramanian Building", V Floor 1, Club House Road, Chennai 600 002, Tel: 044 - 2846 0390 - 94 Fax: 044 - 2746 0129 Email : investor@cameoindia.com Contact person: Mr. Murali

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl.No.	Name and Description of main products/Services	NIC Code of the Product / Service	% to total turnover of the company
1	Electronic Integrated Circuits	26103	100%

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Natronix Semiconductor Technology	—	Holding Company		Sec 2 (46)



iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

l) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1477573	0	1477573	3.20	1477573	0	1477573	3.20	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt (s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp	---	---	---	---	---	---	---	---	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any Other	---	---	---	---	---	---	---	---	---
Sub-total (A)(1):-	1477573	0	1477573	3.20	1477573	0	1477573	3.20	---
(2) Foreign									
(a) NRIs-Individuals	---	---	---	---	---	---	---	---	---
(b) Other - Individuals	---	---	---	---	---	---	---	---	---
(c) Bodies Corp.	25811207	0	25811207	55.97	25811207	0	25811207	55.97	---
(d) Banks/ FI	---	---	---	---	---	---	---	---	---
(e) Any Other	---	---	---	---	---	---	---	---	---
Sub-total (A) (2):-	25811207	0	25811207	55.97	25811207	0	25811207	55.97	---
Total shareholding of Promoter									
(A)=(A1)+(A)(2)	27288780	0	27288780	59.17	27288780	0	27288780	59.17	---
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	---	8600	8600	0.02	---	8600	8600	0.02	---
b) Banks / FI	---	100	100	0.00	---	100	100	0.00	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIs	9000	---	9000	0.02	9000	---	9000	0.02	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
Sub-total(B)(1):-	9000	8700	17700	0.04	9000	8700	17700	0.04	---



iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1353097	20780	1373877	2.98	1360416	20780	1381196	2.99	0.01
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 2 Lakh	10988694	2482567	13471261	29.21	10643443	2462587	13106030	28.42	-0.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lakh	2992382	---	2992382	6.49	3135683	---	3135683	6.80	0.31
c) Others (specify)									
Cleaning Members	27905	---	27905	0.06	12063	---	12063	0.03	-0.03
HUF	604790	32	604822	1.31	831430	32	831462	1.80	0.49
NRI	290761	38100	328861	0.71	294286	38100	332386	0.72	0.01
Trusts	2550	1000	3550	0.01	2838	1000	3838	0.01	0.00
Employees	---	8305	8305	0.02	---	8305	8305	0.02	---
Sub-total(B)(2)	16260179	2550784	18810963	40.79	16280159	2530804	18810963	40.79	---
Share holding (B)=(B)(1)+(B)(2)	16269179	2559484	18828663	40.83	16289159	2539504	18828663	40.83	---
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	43524749	2592694	46117443	100.00	43557959	2559484	46117443	100.00	---

(ii) Shareholding of Promoters

Sl.No.	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered of total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered of total shares	
1.	27288780	59.17	---	27288780	59.17	---	---



(iii) Change in Promoter's Shareholding : No Change

Sl.No.	Name of Promoters	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
NIL					

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	For each of the top 10 share holders				
1.	Hitesh Ramji Javeri	627000	1.36	627000	1.36
2.	Tanvi Jignesh Mehta	7597	0.02	320000	0.69
3.	Angel Fincap Private Limited	268539	0.58	214248	0.46
4.	Alphonsus Fernandes	207350	0.45	207350	0.45
5.	Niraj Hareesh Shah	200000	0.43	200000	0.43
6.	Prakash Chandra Modi	100000	0.22	100000	0.22
7.	Arcadia Share & Stock Brokers Private Limited	15360	0.03	94350	0.20
8.	Globe Capital Market Limited	0	-	93254	0.20
9.	Udayankumar N Kothari	0	-	87166	0.19
10.	Darshini Udayankumar Kothari"	23000	0.05	82304	0.18

(v) Shareholding of Directors and Key Managerial Personnel

Sl.No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. K. Ravikumar	-	-	-	-
2.	Mr. M. Jayasankar	-	-	-	-
3.	Dr. Enakshi Bhattacharya	-	-	-	-
4.	Mr. D. Balakrishnan	10000	0.02	10000	0.02
5.	Mr. V. Srinivasan	-	-	-	-
6.	Mr. S. S. Arunachalam	-	-	-	-



v. INDEBTENDNESS

Indebtedness of the Company Including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans Excluding deposits	Deposits (Unsecured)	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	146.45	---	146.45
ii) Interest due but not paid	16.59	134.76	16.59
iii) Interest accrued but not due	1.09	----	1.09
Total (i+ii+iii)	164.13	134.76	164.13
Change in Indebtedness during the financial year			
i) Addition			
a. Principal	700.00	200.00	900.00
b. Interest due but not paid	----	----	----
c. Interest accrued but not due	5.35	----	5.35
ii) Reduction			
a. Principal	146.45	---	146.45
b. Interest due but not paid	16.59	83.03	99.62
c. Interest accrued but not due	1.09	----	1.09
Net Change	541.22	116.97	658.19
Indebtedness at the end of the financial year			
i) Principal Amount	700.00	200.00	900.00
ii) Interest due but not paid	----	51.73	51.73
iii) Interest accrued but not due	5.35	----	5.35
Total	705.35	251.73	957.08

vi. Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director, Whole Time Directors and / or Manager

Sl.No.	Particulars of Remuneration	Mr.D.Balakrishnan Whole Time Director (₹)	Total Amount (₹)
1.	Gross Salary		
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act 1961	34,27,044	34,27,044
	b. Value of perquisites u/s 17(2) Income Tax Act, 1961	Nil	Nil
	c. Profits in lieu of salary under section 17(3) Income Tax 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission		
	- as % of Profit		
	- others specify	Nil	Nil
5.	others please specify	Nil	Nil
	Total (A) Celling as per Act	34,27,044	34,27,044



B. Remuneration to other directors :

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
	Independent Directors	Mr. K. Ravikumar (₹)	Mr. M.Jayasankar (₹)	Dr. Enakshi Bhattacharya (₹)	
	Fees for attending board/committee meetings	60,000	60,000	45,000	1,65,000
	Commission				
	Others, please specify	20,000	20,000	15,000	55,000
	Other Non Executive Directors	---	---	---	---
	Total Managerial Remuneration	80,000	80,000	60,000	2,20,000
	Overall celling as per the Act	NA	NA	NA	NA

C. Remuneration to key managerial personnal other than MD/Manager/WTD

Sl.No.	Particulars of Remuneration	Key managerial Personnel		
		Company Secretary (₹)	CFO (₹)	Total (₹)
1	Salary	12,40,307	14,73,537	27,13,844

\$\$ (up to Jan 20, 2016)

@ (from Nov 02, 2015)

vii. Penalties / Punishments/Compounding of offences : Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
Penalty					
Punishment					
Compounding					
Other Officers in Default			NIL		
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors,

Chennai
May 30, 2016

K. Ravikumar
Director

D. Balakrishnan
Whole Time Director & CEO



Form No. MR-3
SECRETARIAL AUDIT REPORT

FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
SPEL Semiconductor Limited
5 CMDA Industrial Estate
MM Nagar (Chennai)
PIN - 603 209

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and adherence to good corporate practices by SPEL Semiconductor Limited an IC Assembly & Test Company. The Company has CIN L32201TN1984PLC011434 with Authorized Capital of Rs.60,00,00,000 and Paid Up Capital of Rs.46,13,25,280. The Company is Listed with the Bombay Stock Exchange Limited possessing ISIN Number NSDL & CDSL : INE252A01019. SPEL is certified for ISO 9001:2000; ISO 14000:2004 & TS 16948:2002

Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of SPEL Semiconductor Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering its financial year ended on 31st March, 2017 complied with the statutory provisions listed here under and also the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ("SCRA") and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009. - **Not Applicable to the Company during the Audit Period**



- d) The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme Guidelines, 1999); - **Not Applicable to the Company during the Audit Period**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008; - **Not Applicable to the Company during the Audit Period**
 - f) The Securities and Exchange Board of India (Registrars to an issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009; and - **Not Applicable to the Company during the Audit Period**
 - h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; - **Not Applicable to the Company during the Audit Period**
- (vi) Any other Applicable Laws like
- a) The Factories Act, 1948
 - b) The Industrial Dispute Act, 1947
 - c) The Payment of Wages Act, 1936
 - d) The Minimum Wages Act, 1948
 - e) The Employees State Insurance Act, 1948
 - f) The Employees' Provident Fund and Miscellaneous Provision Act, 1952
 - g) The payment of Bonus Act, 1965
 - h) The Payment of Gratuity Act, 1972
 - i) The Contract Labour Abolition Act, 1970
 - j) The Maternity Benefit Act, 1961
 - k) The Child Labour (Prohibition and Regulation) Act, 1986
 - l) The Industrial Employment (Standing Orders) Act, 1946
 - m) The Employees' Compensation Act, 1923 (earlier known as Workman's Compensation Act, 1923)
 - n) The Apprentice Act, 1961
 - o) The Equal Remuneration Act, 1976
 - p) The Employment Exchange (Compulsory Notification of Vacancies Act, 1926)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI) has been notified with effect from 1st July 2015
- (ii) The Listing Agreements entered into by the company with BSE

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except to the extent mentioned below:

Under The Companies Act 2013

1. *According to information received and examination of records in respect of statutory dues, it is observed that the Company is not regular in depositing undisputed Provident Fund, Employee State Insurance*



and Income Tax (TDS) and Property dues, during the year. The statutory dues were not remitted within the due dates mentioned under their respective due dates.

2. *The Company has not filed form MGT-14 for appointment of Secretarial Auditor for the year ended 30th March, 2016, with the Ministry of Corporate Affairs.*
3. *The Company is in default in payment of Listing Fee to the extent of Rs. 3,08,897/- as per the invoice dated 1st April, 2017.*

The other laws as may be applicable specifically to the Company which are mentioned in clause (vi) Under any other laws I hereby report that it's based on the reports of the heads of the Departments of the factories and the compliance reports made by the Occupier of the Factories submitted to the Board of Directors of the Company, I report that the Company has substantially complied with the provisions of those Acts that are applicable to Companies having Factories which manufacture Integrated Circuits. Based on the information, explanations and management representation, the Company has substantially complied with the Tax laws applicable to the Company except to the extent mentioned below:

I further report that

Subject to my observations the Board of Directors of the Company in general is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

A Marketing and Sales agreement entered with Natronix Semiconductor technology Private Limited, Singapore (Promoter / Holding Company) amounting to Rs.98,83,938/- for FY 2016-17.

Further the Company has entered into agreement to lease 210000 sqft of shed to Musaddilal Projects Limited for a period of 15 years lock-in.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the Meeting and for meaningful participation at the Meeting.

All decisions were carried out in the Board were in compliance with the provisions of the Act.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the instances of violations and non-compliances mentioned above may result in attracting penal provisions which are severe in nature and for the Company there is a contingency that it may have to pay penalties.

Place : Chennai
Date : May 30, 2017

Signature
Sd/-
T. Balasubramanian
FCS : 7987
CPNO : 3402



The Members
SPEL Semiconductor Limited
5 CMDA Industrial Estate,
MM Nagar (Chennai)
PIN - 603 209

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure the correct facts as reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai
Date : May 30, 2017

Signature
Sd/-
T. Balasubramanian
FCS : 7987
CPNo. : 3402



Report on Corporate Governance

Pursuant to Regulation 34(3), 53(f) & Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, a Report on Corporation Governance is given below :

1. Company's Philosophy on Code of Governance

The Company's policy and practice of Corporate Governance is to proactively meet its obligations to its Shareholders and earn the goodwill of all its Stakeholders.

SPEL seeks to enhance the long-term Shareholders and elevate the interest of its Stakeholders espousing good governance, sincerity, integrity, fairness and transparent accountability in all its dealings. Sound Corporate Governance is the keystone of the Company's arch. SPEL was wedded to the standards even before these became mandatory and strives incessantly to improve on these. The results of good Corporate Governance practices are reflected in confidence reposed by various Stakeholders.

2. Board of Directors

Composition : The present strength of the Board as on the date of this report is 4 Directors. The Board comprises a combination of Executive and Non-executive Directors.

Composition of Board of Directors (as on last date of Financial Year), their other Directorships and Committeeships is depicted hereunder :

Name and Designation	Executive / Non-Executive Independent / Promoter	No. of Board Meetings of the Company		No. of other Boards in which he/she is a Director or Chairperson*	No. of other Board Committee(s) in which he / she is a Member or chairperson**	Attendance at last AGM (Yes/No)
		Held during the year	Attended during the year			
Mr. K. Ravikumar Director	Non-Executive Independent	4	4	1	---	Yes
Mr. M. Jayasankar Director	Non-Executive Independent	4	4	---	---	Yes
Dr. Enakshi Bhattacharya Director	Non-Executive Independent	4	3	1	---	Yes
Mr. D. Balakrishnan Whole Time Director & CEO	Executive	4	4	---	---	Yes

* Excluding interest in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

** Includes Chairmanship/Membership of the Audit Committee and the Stakeholders Relationship Committee only.

During the year ended Mar 31, 2017, Four (4) Board Meetings were held on May 30, 2016, Jul 30, 2016, Nov 10, 2016 & Feb 9, 2017



3. Composition of various Board Committees

Name of the Committee	Names of Directors	Category
Audit Committee	Mr. M. Jayasankar Mr. K. Ravikumar Dr. Enakshi Bhattacharya	Chairman Member Member
Stakeholders Relationship Committee	Dr. Enakshi Bhattacharya Mr. K. Ravikumar Mr. M. Jayasankar	Chairman Member Member
Nomination and Remuneration Committee	Mr. K. Ravikumar Mr. M. Jayasankar Dr. Enakshi Bhattacharya	Chairman Member Member

4. Board and Committee functioning

a. Board Meetings

1. The Board meetings are generally held in Chennai with the majority of Directors present at each meeting.
2. The detailed Agenda with notes is circulated in advance and contains all the matters enshrined in Section 173 (3) of Companies Act, 2013.
3. Sufficient time is allocated for discussing items of business, more specifically on the operations front. There is also a detailed presentation made by the Chief Executive Officer.
4. The Board takes on record the Compliance confirmation from the Company Secretary at each meeting which contains the compliance status of all the applicale legislations to the Company. These are also reviewed by the Management at each of its meetings.

b. Audit Committee

The Audit Committee comprises a majority of Non-executive Independent Directors. Terms of reference of the Audit Committee includes a review of :

1. Financial statements before submission to the Board
2. Draft financial statements and Auditor's Report before submission to the Board
3. Accounting Policies and Practices.
4. Risk Management Policies and Practices
5. Compliance with Stock Exchange and Legal Requirements concerning financial statements
6. Related Party Transactions
7. Recommendation of appointment of Auditors and fixing their fees
8. To review the internal control systems and internal audit reports and their compliance there of

Four Audit Committee Meetings were held on May 30, 2016, Jul 30, 2016, Nov 10, 2016 & Feb 9, 2017

Names of the Directors	No. of Audit Committee Meetings attended
Mr. K. Ravikumar	4
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	3



c. Nomination and Remuneration Committee

The committees advises the broad policy for remuneration, terms of employment and any changes, including service contracts of Executive and Non-Executive Directors and supervise the Employee Stock Option Scheme (ESOS).

Details of Remuneration paid to Directos

(Amount in ₹)

Remuneration paid during the year 2016-17					
Sl. No.	Names of Directors	Salary / Special allowance / Perquisites	Commission / Bonus / Incentive	Sitting Fees	Total
1.	Mr. K. Ravikumar	NA	NA	60,000	60,000
2.	Mr. M. Jayasankar	NA	NA	60,000	60,000
3.	Dr. Enakshi Bhattacharya	NA	NA	45,000	45,000
4.	Mr. D. Balakrishnan	34,27,044	NA	NA	34,27,044

Nomination and Remuneration Committee decides on the remuneration of the Whote-time Director and the Chief Executive Officer. The Committee takes into account the general market trend pertaining to the industry viz., the rules of the Company.

Remuneration Policy

The following is the remuneration policy of Directors :

Remuneration to Whole Time / Executive / managing Director, KMP and Senior Management Personnel :

- a) Fixed Pay
The Whole Time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.
- b) Minimum Remuneration
In any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director in accordance with the provisions of Schedule V of the Act and it is not able to comply with such provisions, with the previous approval of the Central Government.

Remuneration to Non-executive / Independent Director

- a) Remuneration / Commission
The Remuneration / Commission shall be fixed as per the stabs and conditions mentioned in the Companies Act.
- b) Sitting Fees
The Non-Executive / Independent Director may receive Remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.



d. Stakeholders Relationship Committee

- a. The Stakeholders Relationship Committee comprises a majority of Independent Non-Executive Directors. Dr. Enakshi Bhattacharya is the Chairperson of the Committee.
- b. The Table below shows the nature of complaints received from Shareholders during FY 2016-17 :

Sl. No.	Nature of Complaint	No. of Complaints Received	Attended	Pending
1.	Non-receipt of Share Certificates after transfer & Others	Nil	Nil	Nil

- c. Disclosure on the delegated authority constituted for attending share transfer work

Sl. No.	Description of Delegated Authority	Full address of Delegated Authority	Telephone No.(s)	Fax No.(s)	E-mail	Average intervals at which share transfers approved
1.	Company Secretary & Compliance Officer	5 CMDA Industrial Estate, MM Nagar (Chennai) 603 209.	(044) 4740 5490	(044) 4740 5303	investors@spel.com	15 days
2.	Cameo Corporate Services Limited	"Subramanian Building" 1 Club House Road, Chennai 600 002.	(044) 2846 0390	(044) 2846 0129	investor@cameoindia.com	

- d. Four Stakeholders Relationship Committee Meetings were held on May 30, 2016, Jul 30, 2016, Nov 10, 2016 & Feb 9, 2017

Names of the Directors	No. of Committee Meetings attended
Mr. K. Ravikumar	4
Mr. M. Jayasankar	4
Dr. Enakshi Bhattacharya	3



5. General Body Meetings

Details regarding venue, date, and time of last three AGM's

Sl.No.	Financial Year	Details of Location	Date & Time when held
1.	2013-14	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 15, 2014 10.45 am
2.	2014-15	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Sep 8, 2015 4.35 pm
3.	2015-16	5 CMDA Industrial Estate, Maraimalai Nagar 603 209	Jul 30, 2016 4.00 pm

Special Resolutions passed in the previous 3 AGMs :

29th AGM : Nil

30th AGM : Nil

31st AGM : 1. Issue of Non-convertible Debenture on private placement
2. Borrowing Powers of the Board
3. To sell / lease or dispose of the part or the whole of the undertaking of the Company
4. To consider making disinvestment in equity share of the wholly owned subsidiary i.e. SPEL-US

Postal Ballot : The Company has made use of the Postal Ballot during the year

6. Disclosures

- No transaction of material nature has been entered into by the Company with related parties i.e. Directors or Management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large.
- The Board duly authorized all transactions with the Companies in which the Promoters or Directors or the Management, their subsidiaries or their relatives are deemed to be interested.
- There were no instances of non-compliance by the Company, on any matter related to capital markets during the last three years. Further, there has been no penalty, and stricture imposed on the Company by Stock Exchanges or SEBI or any statutory authorities against the Company.
- The Company has a Whistle Blower Policy, wherein the Employees enjoy access to report of the Audit Committee
- All the mandatory requirements have been complied by the Company and also adopted some of the non-mandatory requirements of this clause.

7. Means of Communications

Financial results of the company are published in Trinity Mirror and Makkal Kural. The results are also displayed in URL, namely www.spel.com. The Company does not display official news releases. Company has not made presentations to Institutional Investors or to the Analysis.

8. General Shareholder Information

- Annual General Meeting (as indicated in the Notice) : Sep 7, 2017 at Registered Office of the Company
- Financial Year : 2016-17
- Dates of Book Closure : Sep 1, 2017 to Sep 7, 2017
- Listed on Stock Exchange : The Bombay Stock Exchange Limited (BSE)
Stock Code : Demat - 517166, Physical - 17166



5. ISIN Number NSDL & CDSL : INE 252A01019
6. Outstanding GDR/ADR/Warrants or any convertible instruments : No
7. Registrar & Share Transfer Agent : Cameo Corporate Services Limited
8. Address for Communication : a. Company Secretary
SPEL Semiconductor Limited
5 CMDA Industrial Estate
MM Nagar (Chennai) 603 209
India.
- b. Cameo Corporate Services Limited
Subramanian Building
1 Club House Road
Chennai 600 002
9. Share transfer System : All transfer requests received are processed and approved by an Authorized Signatory. Normally transfer are processed and approved twice a month.
10. Factory Location : 5, CMDA Industrial Estate,
MM Nagar (Chennai), 603 209. India.

9. Distribution of Shareholding as on Mar 31, 2017

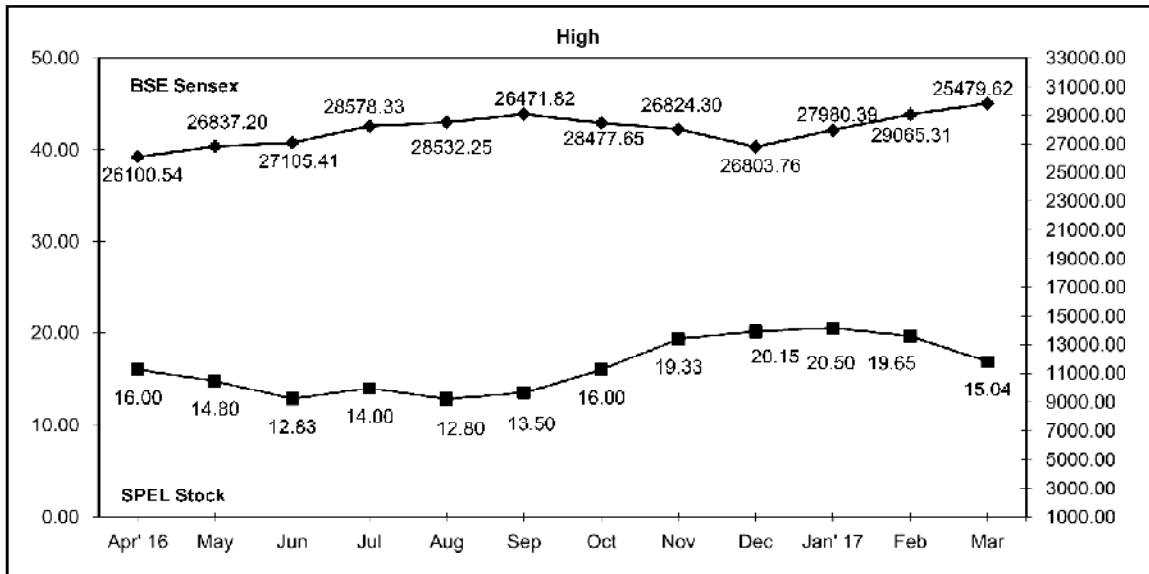
No. of Equity Shares held	No. of Folios	%	No. of Shares	%
1 - 100	13575	44.06	1079127	2.34
101 - 500	12469	40.47	3599760	7.81
501 - 1000	2489	8.08	2105305	4.57
1001 - 2000	1110	3.60	1797175	3.90
2001 - 3000	369	1.20	971279	2.10
3001 - 4000	200	0.65	730749	1.58
4001 - 5000	184	0.60	885433	1.92
5001 - 10000	241	0.78	1834008	3.98
10001 and above	174	0.56	33114607	71.80
Grand Total	30811	100.00	46117443	100.00
No. of Shareholders in Physical Mode				13250
No. of Shareholders in Electronic Mode				17561



10. Shareholding Pattern as on Mar 31, 2017.

Category	No. of Shareholders	No. of Shares	In %
Promoter & promoter Group	5	27288780	59.17
Overseas Corporate Bodies	1	9000	0.02
Mutual Funds	2	8600	0.02
Nationalized Banks	1	100	0.00
Non-Resident Indians	188	332386	0.72
Domestic Companies	335	1381196	2.99
Resident Individuals	29737	16250018	35.24
Clearing Members	18	12063	0.03
Hindu Undivided Families	520	831462	1.80
Trusts	4	3838	0.01
Total	30811	46117443	100.00

11. Stock Performance V/s BSE Sensex





12. Market Price Data High & Low, Trading volume and no. of trades during each month for FY 2016-17

Month	High	Low	Trading Volume (No. of shares in lakhs)	No. of Traders
Apr 2016	16.00	12.54	5.20	1406
May	14.80	11.85	5.22	1608
Jun	12.83	10.25	6.50	1810
July	14.00	12.10	5.51	1546
Aug	12.80	10.51	3.51	1322
Sep	13.50	10.50	5.36	1373
Oct	16.00	11.95	9.48	2364
Nov	19.33	13.00	14.73	3257
Dec	20.15	15.00	13.84	3526
Jan 2017	20.50	17.00	9.15	2339
Feb	19.65	16.00	7.74	1556
Mar	16.90	13.50	4.58	1656

13. Accounting Standards

Your Company is in compliance with Accounting Standards and Accounting Rules in preparation of its financial statements.

14. CEO/CFO Certification

A Certificate of the CEO and CFO of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.

15. Non-Mandatory Requirements

- a. The Company has appointed a third party Firm as the Internal Auditors.
- b. Nomination and Remuneration Committee : The Company has a Nomination and Remuneration Committee detailed in this report
- c. Whistle Blower Policy : The Company has a mechanism for Employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violations of the Company's Code of Conduct or Ethics Policy and the existence of Said mechanism was appropriately communicated within the organization.



Chief Executive Officer's Declaration on Code of Conduct

(As per Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of SPEL Semiconductor Limited

This is to certify that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the period ended Mar 31, 2017.

Place : Chennai
Date : May 30, 2017

For SPEL Semiconductor Limited
D. Balakrishnan
Chief Executive Officer

CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER CERTIFICATION

To

The Board of Directors
SPEL Semiconductor Limited

We, D. Balakrishnan, Whole Time Director & Chief Executive Officer and V. Srinivasan, Chief Financial Officer of the Company do solemnly certify that :

- a) We have reviewed the financial statements for the year and that to the best of our knowledge and belief that :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are to the best of our knowledge and belief, no transaction entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of Conduct except non-payment of the following :
 - (i) Service Tax (Part payment made)
 - (ii) Thrift Society (Part payment made)
 - (iii) LIC - Gratuity Fund
 - (iv) Salary Outstanding
- c) We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and Audit Committee :
 - (i) significant changes in the internal control during the year;
 - (ii) significant changes in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system.

Date : May 30, 2017
Place : Chennai

Sd/-
D. Balakrishnan
Whole Time Director & CEO

Sd/-
V. Srinivasan
Chief Financial Officer



**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE
TO THE MEMBERS OF
SPEL SEMICONDUCTOR LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by **SPEL SEMICONDUCTOR LIMITED** ("the Company"), for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditors' Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For M.S. Krishnaswami & Rajan

Chartered Accountants

Firm's Registration No. 01554S

M.S. Murali

Partner

Membership No. 26453

May 30, 2017

Chennai



**INDEPENDENT AUDITOR'S REPORT ON
ABRIDGED STANDALONE FINANCIAL
STATEMENTS
TO THE MEMBERS OF SPEL SEMICONDUCTOR
LIMITED**

1. The accompanying abridged standalone financial statements of **SPEL SEMICONDUCTOR LIMITED** ("the Company"), which comprise the abridged Balance Sheet as at March 31, 2017, the abridged Statement of Profit and Loss and the abridged Cash Flow Statement for the year ended and related notes, are derived from the audited financial statements for the year ended March 31, 2017. We expressed an unmodified audit opinion on those financial statements in our report dated May 30, 2017.
2. The abridged standalone financial statements do not contain all the disclosures required by the Accounting Standards prescribed under section 133 of the Companies Act, 2013 applied in the preparation of the audited standalone financial statements of the Company. Reading the abridged standalone financial statements, therefore, is not a substitute for reading the audited standalone financial statements of the Company.

**Management's Responsibility for the Abridged
Financial Statements**

3. The Company's Board of Directors is responsible for the preparation of summary of the audited standalone financial statements in accordance with Rule 10 of Companies (Account) Rules, 2014 and are based on the audited financial statements for the year ended March 31, 2017, prepared in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these abridged standalone financial statements based on our procedures, which were conducted in accordance with the Standards on Auditing (SA) 810, "Engagements to Report on summary Financial Statements" issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion the abridged standalone financial statements, prepared in accordance with Rule 10 of Companies (Account) Rules, 2014 are derived from the audited standalone financial statements of the Company for the year ended March 31, 2017 and are a fair summary of those financial statements.

Emphasis of Matter

6. We draw attention to the following matters in Notes 6 to the abridged standalone financial statements :

(i) During the year-end, the Company has entered into agreements to sell portion of its immovable property for an aggregate sum of ₹ 3,284.94 lakhs and surrendered possession of the same in lieu of part consideration received. Sale deeds has been executed and registered subsequent to year end for a portion of the same. Profit on sale recognised during the year pursuant to the above agreements and included in the abridged standalone financial statements is ₹ 2,109.48 Lakhs.

(ii) The value of box stock written off ₹ 2,039.13 Lakhs is based on review of the carrying value by a Committee constituted by the Board of Directors and electronic confirmation received by the Company from certain customers who had supplied the base raw material. The said review by the Committee revealed that the customers had cancelled their orders due to change in technology of the finished product and opted not to re import the finished product / raw material. Consequently, the carrying value of the same needed to be written off.

Our opinion is not modified in respect of these matters.

For **M.S. Krishnaswami & Rajan**
Chartered Accountants
Registration No. 01554S

May 30, 2017
Chennai

M.S. Murali,
Partner
Membership No. 26453



**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF SPEL SEMICONDUCTOR
LIMITED**

**Report on the Standalone Financial
Statements**

1. We have audited the accompanying standalone financial statements of **SPEL SEMI CONDUCTOR LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement and a summary of the significant accounting policies and other explanatory information for the year then ended.

**Management's Responsibility for the
Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the

manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cashflows for the year ended on that date.

Emphasis of Matter

8. We draw attention to the following matters in Note - 28 to the standalone financial Statements:

(i) During the year-end, the Company has entered into agreements to sell portion of its immovable property for an aggregate sum of ₹ 3,284.94 lakhs and surrendered possession of the same in lieu of part consideration received. sale deeds has been executed and registered subsequent to year end for a portion of the same. Profit on sale recognised during the year pursuant to the above agreements and included in the standalone financial statements is ₹ 2,109.48 Lakhs.

(ii) The value of box stock written off ₹ 2,039.13 Lakhs is based on review of the carrying value by a Committee constituted by the Board of Directors and electronic confirmation received by the Company from certain customers who had supplied the base raw material. The said review by the Committee revealed that the customers had cancelled their orders due to change in technology of the finished product and opted not to reimport the finished product/raw material. Consequently, the carrying value of the same needed to be written off.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has, in accordance with the generally accepted accounting practice, disclosed the impact of pending litigations on its financial position in its financial statements - Also Refer Note 28e to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses under the applicable law or accounting standards.

iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its standalone financial statements as regards its holding and



dealings in specified bank notes as defined the notification S030 (e) dated november 8, 2016 of the Ministry of Finance during the period November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us.(Refer note 39 to the financial statements).

10. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For M.S. Krishnaswami & Rajan Chartered
Accountants
Registration No. 01554S
M.S. Murali
Partner
Membership No. 26453

May 30, 2017
Chennai

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 9(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of **SPEL SEMICONDUCTOR LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over



financial reporting were operating effectively as at March 31, 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No. 01554S
M.S. Murali
Partner
Membership No. 26453

May 30, 2017
Chennai

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT (Referred to in paragraph 10 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the accounts of SPEL SEMICONDUCTOR LIMITED (“ The Company ”) for the year ended March 31, 2017)

- (i) In respect of its fixed assets:
- a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets were physically verified by the Management during the year under a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanations given to us, no material discrepancies have been noticed during the year on such verification.
- c) The title deeds of immovable properties as reflected in the books of the Company are held in the name of the Company.
- (ii) In respect of its inventories as explained to us, the inventories have been physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments, provided guarantees, and security covered under provisions of section 185 and 186 of the Companies Act, 2013.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from public during the year, and accordingly, the provision of clause (v) of paragraph 3 of the Companies (Auditors Report) order, 2015 are not applicable to the Company. For this purpose, the monies brought in at the behest of banks are not considered as “Deposits”. There are no unclaimed deposits to which the provision of section 73 to 76 or any other relevant provision of the Companies act is applicable.
- (vi) In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.
- (vii) According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:
- a) The Company has been generally regular in depositing undisputed Statutory dues including Sale Tax, Custom Duty, Excise Duty, and any other material dues as applicable to it with the appropriate authorities during the year.
- b) However the Company has not been generally regular in depositing undisputed Provident Fund, Employee State Insurance, Income Tax, (Including TDS), Service Tax, Professional Tax and Property tax, during the year.



- c) In respect of (b) above, there were however no dues outstanding as at March 31, 2017 for a period of more than six months from the date they became payable except the following :

Nature of Dues	Amount (Rs.lakhs)
Service Tax	60.91
Professional Tax	9.73

- d) There are no dues of Sales Tax, Service Tax, Excise Duty, Customs duty and Value Added Tax which have not been deposited on account of any dispute. Details of dues towards income tax that have not been deposited as at March 31, 2017 on account of disputes are as stated below :

Name of the Statute	Disputed dues (Rs.In Lakhs)	Period to which the Amount relates	Forum where dispute is pending
Income Tax	37.62	Assessment Year 2005-06	Assessing officer under Section 154
Income Tax	2.57	Assessment Year 2006-07	Commissioner of Income Tax (Appeals)
Income Tax	2.63	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government and dues to debenture holders. There are no loans or borrowings from the financial institutions.
- (ix) According to the information and explanation given to us the Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loans during the year. For this purpose secured debentures raised during the year was considered as not a public issue but privately placed debentures and hence not covered by requirement of para (ix) of the order.
- (x) To the best of our knowledge and belief, and according to the information and explanations given to us, and considering the size and nature of the Company's operations, no fraud by the Company and no fraud of material significance on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of Paragraph 3 of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company has complied with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with its directors or persons connected with him/her and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M.S. Krishnaswami & Rajan
Chartered Accountants
 Registration No. 01554S

M.S. Murali
 Partner

Membership No. 26453

May 30, 2017
 Chennai



SPEL Semiconductor Limited
Abridged Balance Sheet as at Mar 31, 2017

(Statement containing salient features of Statement of Balance Sheet as per the first proviso to Sub-Section (1) of Section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)]

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	'Mar 31, 2017	'Mar 31, 2016
Equity and liabilities			
1) Shareholders' funds			
(a) Paid-up Equity Share capital		46,13,25,280	46,13,25,280
(b) Reserves and surplus			
i. Capital reserve		16,500	16,500
ii. Revaluation reserve		10,07,29,126	20,40,36,968
iii. Surplus in profit and loss account		(85,967,085)	18,86,694
iv. Securities premium		47,34,618	47,34,618
v. General reserve		10,33,07,842	-
		58,41,46,281	67,20,00,060
2) Non-current liabilities			
i. Long-term borrowings	2	13,30,78,273	-
ii. Deferred tax liabilities (net)	3	58,226,090	66,66,8117
iii. Long-term provisions		40,590,471	33,55,3048
		23,18,94,834	10,02,21,165
3) Current liabilities			
i. Short-term borrowings		14,91,93,919	16,16,00,690
ii. Trade payables			
a) Total outstanding dues of Micro, Small and Medium enterprises		2,60,343	9,13,945
b) Total outstanding dues of creditors other than Micro, Small and Medium enterprises		12,51,97,896	98,527,261
iii. Other current liabilities		13,02,58,955	26,49,64,488
iv. Short-term provisions		1,09,66,778	54,21,938
		41,58,77,891	53,14,28,323
TOTAL		1,23,19,19,006	1,30,36,49,548
Assets			
4) Non-current assets			
a) Fixed assets			
i. Tangible assets (Original cost less depreciation)		68,86,99,991	87,19,56,730
ii. Intangible assets		1,49,774	53,814
b) Non-Current Investments		-	4,365
c) Long-Term loans and advances		4,57,40,322	46,22,2,110
d) Other Non-current assets		-	5,14,413
		73,45,90,087	91,87,51,432
5) Current assets			
a) Inventories		12,32,04,033	33,81,85,572
b) Trade receivables		15,49,06,065	3,82,15,337
c) Cash and bank balances		61,342,044	53,44,088
d) Short-term loans and advances		11,672,870	30,76,957
e) Other current assets		146,203,907	76,162
		49,73,28,919	38,48,98,116
Total		123,19,19,006	130,36,49,548

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Balance Sheet.

Note : Complete Balance Sheet, Statement of profit and loss, Cash Flow Statement and notes there to prepared as per the requirements of schedule-III to the Companies Act, 2013 are available at the company's website : www.spel.com

In terms of our report of even date

For M.S Krishnaswami & Rajan

Chartered Accountants

M.S. Murali
Partner

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Enakshi Bhattacharya
Director
DIN : 05277571

May 30, 2017
Chennai

D. Balakrishnan
Director & CEO
DIN : 0213124298

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary



SPEL Semiconductor Limited

Abridged Statement of Profit and Loss for the year ended Mar 31, 2017

[(Statement containing salient features of Statement of Profit & Loss as per the first proviso to Sub-Section (1) of Section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)]

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	'Mar 31, 2017	'Mar 31, 2016
Income			
Revenue from operations (gross)	5	35,68,63,551	25,88,46,241
Less: excise duty		1,93,669	3,42,000
Revenue from operations (net)		<u>35,66,69,882</u>	<u>25,85,04,241</u>
Other income		1,92,74,960	81,74,098
Total Revenue (I)		<u>37,59,44,842</u>	<u>26,66,78,339</u>
Expenses			
Cost of raw materials and components consumed		12,70,00,369	10,73,12,117
Changes in inventories of finished goods and work in progress		36,86,204	(25,11,100)
Employee benefits expense		13,34,91,657	13,90,84,838
Finance costs		2,66,93,198	3,04,39,880
Depreciation and amortization expenses		7,11,09,828	10,71,32,297
Other expenses		<u>10,51,51,545</u>	<u>110,014,319</u>
Total Expenses (II)		<u>46,71,32,801</u>	<u>49,14,72,351</u>
Profit/(Loss) before Exceptional Items and Tax		<u>(9,11,87,959)</u>	<u>(22,47,94,012)</u>
Exceptional Items	6	<u>(70,34,180)</u>	<u>1,14,39,488</u>
Profit / (loss) before tax (I-II)		<u>(8,41,53,779)</u>	<u>(23,62,33,500)</u>
Tax expenses			
Current tax		1,21,42,027	-
Deferred tax		<u>(84,42,027)</u>	<u>(3,83,33,357)</u>
Profit / (Loss) after tax		<u>(8,78,53,779)</u>	<u>(19,79,00,143)</u>
Earnings per share (EPS) (Refer Note 30 of the Financial Statements)	7		
- Basic		(1.90)	(4.29)
- Diluted		(1.90)	(4.29)

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Statement of Profit and Loss Account.

In terms of our report of even date

For M.S Krishnaswami & Rajan

Chartered Accountants

M.S. Murali
Partner

May 30, 2017
Chennai

K. Ravikumar
Director
DIN : 00119753

D. Balakrishnan
Director & CEO
DIN : 02131242

M. Jayasankar
Director
DIN : 00048351

V. Srinivasan
Chief Financial Officer

Enakshi Bhattacharya
Director
DIN : 05277571

S.S. Arunachalam
Company Secretary



SPEL Semiconductor Limited

Abridged Cash Flow Statement for the year ended Mar 31, 2017

[(Statement containing salient features of Cash Flow Statement as per the first proviso to Sub-Section (1) of Section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)]
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Mar 31, 2017	Mar 31, 2016
Cash flows from operating activities (A)	(15,55,46,532)	(6,96,59,011)
Cash flows from investing activities (B)	6,82,87,626	88,81,785
Cash flows from financing activities (C)	14,23,79,201	6,00,51,029
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5,51,20,295	(7,26,197)
Cash and cash equivalents at the beginning of the year	2,18,965	7,76,181
Exchange differences on translation of foreign currency cash and cash equivalents	(566)	168,981
Cash and cash equivalents at the end of the year	5,53,38,694	2,18,965

(as per Note 4 (a) of the Abridged Financial Statements)

Note : Proceeds on disposal of fixed assets ₹.5,97,38,400 is after adjustment of advance of ₹.12,25,00,000 received during the earlier year.

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Cash Flow Statement.

In terms of our report of even date

For M.S Krishnaswami & Rajan

Chartered Accountants

M.S. Murali
Partner

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Enakshi Bhattacharya
Director
DIN : 05277571

May 30, 2017
Chennai

D. Balakrishnan
Director & CEO
DIN : 02131242

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary

Note : Proceeds on disposal of fixed assests ₹. 5,97,38,400.00 is after adjustment of advance of ₹.12,25,00,000 received during the earlier year.



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Corporate information

SPEL is India's 1st and only semiconductor IC (Integrated Circuit) Assembly & Test facility. Based in Chennai, SPEL has been servicing the demanding US market for over 13 years now. SPEL's factory is located in the CMDA Industrial Estate, MM Nagar, near Chennai.

2. Accounting convention

2.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets acquired before 1 April, 2008, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

3. Use of Estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/ materialize.

4. Tangible and Intangible Fixed assets and depreciation / amortisation

4.1 Expenditure which are of a capital nature are capitalized at a cost, which comprises purchase price (net of rebates and discounts), import duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Cost of fixed assets is net of eligible credits under CENVAT / VAT Scheme. Expenditure directly related and incidental to construction / development and borrowing costs in para 5 below are capitalised upto the date the assets are ready for their intended use. Exchange differences are capitalised to the extent dealt with in para 8.3 below.

4.2 Assets are depreciated / amortised, as below, on straight line basis:

- a) Buildings, assets in leased premises, plant and machinery (except assets subject to impairment) and other assets, over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.
- b) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.
- c) Intangible assets are amortized over their estimated useful life.



- i) Depreciation / amortisation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation / amortisation is provided upto the month of sale or disposal of the assets.
- ii) At each balance sheet date, the carrying values of fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the said asset is estimated in order to determine the extent of impairment loss (if any).

5. Borrowing Cost

Borrowing cost are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefit. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

6. Investments

Long Term Investments are carried at cost. Provision for diminution is however made to recognised a decline, other than temporary in nature, in its value.

7. Inventories

7.1 Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:

- Stores, spares, consumables, raw materials and components On weighted average basis.
- Work-in-progress (including box stock) under absorption costing method
- Finished / trading goods: under absorption costing method.

7.2 Cost includes taxes and duties and is net of eligible credits under CENVAT / VAT Schemes.

7.3 Surplus / obsolete / slow moving inventories are adequately provided for.

8. Foreign Currency Transactions

8.1 Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency as at the balance sheet date are translated at the rate of exchange prevailing at the year end. Exchange differences arising on actual payments / realizations and year end restatements are dealtwith in the Statement of profit and loss.

8.2 Exchange difference on translation or settlement of long term foreign currency monetary item (i.e. whose terms of settlement is 12 months from the date of its origination) at rates different from those at which they were originally recorded are reported in the previous financial statements, relating to acquisition of depreciable assets are adjusted to the cost of the assets.

9. Segment Reporting

The Company's primary segment is identified as business segment based on nature of product, risks, returns and the internal business reporting system and secondary segment is identified based on geographical location of the customers as per Accounting Standard – 17. The company is principally engaged in a single business segment viz. Integrated Circuits.



10. Revenue Recognition

10.1 Sale of goods:

Revenue from sale of products is recognised on despatch or appropriation of goods in accordance with the terms of sale, when the significant risks and rewards of ownership of goods have been passed to the buyer and is inclusive of excise duty.

10.2 Sale of Services:

Revenue from services is recognised on completion of the service in accordance with the terms of contract.

10.3 Others

Interest income is recognised on time proportion basis.

11. Employee Benefit

11.1 Short term employee benefit obligations are estimated and provided for.

11.2 Post-employment benefits and other long term employee benefits

Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence.

Defined benefit plans.

Company's liability towards retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

12. Income taxes

Income tax expenses comprise current and deferred taxes. Current tax is determined on the income for the year chargeable to tax in accordance with applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the company resulting in payment of normal income tax.

Deferred tax is recognized for all the timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.

Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

13. Provisions and Contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



SPEL Semiconductor Limited

Notes to Abridged financial statements for the year ended Mar 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

1. Contingent Liabilities and commitments (to the extent not provided)

(Note 28 (e) (i) of the Standalone Financial Statements)

	Mar 31, 2017	Mar 31, 2016
i) Contingent Liabilities		
- Letter of Credit for import purchases	2,56,26,745	1,41,09,424
- Income Tax Demand	42,82,564	40,19,136
Future cash outflows in respect of the above are not determinable		
ii) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

2. Long Term Borrowings

(Note 3 of the Financial Statements)

- 3.1 Term loan from banks was secured by first charge on all immovable assets including land and building at 5, CMDA Industrial Estate, Maraimalai Nagar and other movable /immovable fixed assets of the Company and further secured by second charge over stocks, book debts and all other current assets of the Company, both present and future. Term Loan was also secured by personal guarantee of Dr. A.C.Mutthiah.
- 3.2 The term loan was repayable in 16 equal quarterly instalments commencing from 25.04.2012. The applicable interest rate was 14.25% p.a payable monthly. The principal amount of ₹.1,46,44,719 due on Jan 25, 2016 is outstanding as at Mar 31, 2016 along with overdue interest of ₹.16,58,903.
- 3.3 During the year, unsecured non-convertible Debentures aggregating to ₹.7,00,00,000 bearing 10% interest has been issued under private placement. The said debentures are secured by specified plant and machinery as per debenture deed.
- 3.4 Unsecured Loan from others represents amount brought in by the promoters of the company in pursuance of the stipulation of the bank. The amount so brought aggregated to ₹. 6,50,00,000 is repayable in 137 installments and carries interest of 12% per annum with monthly rests.

3. Deferred tax liabilities (Net)

(Note 4 of the Standalone Financial Statements)

	Mar 31, 2017	Mar 31, 2016
a) Deferred tax liability due to Depreciation	9,24,24,190	10,43,04,788
	A 9,24,24,190	10,43,04,788
b) Deferred tax asset arising out of		
i) Provision for Gratuity / Leave encashment	1,33,22,604	1,48,36,947
ii) Carry forward losses / Unabsorbed depreciation	1,28,83,116	1,28,83,116
iii) Other timing differences	79,92,380	99,16,608
	B 3,41,98,100	3,76,36,671
	A-B 5,82,26,090	6,66,68,117



SPEL Semiconductor Limited

Notes to Abridged financial statements for the year ended Mar 31, 2017

4. Cash and Bank Balances

(Note 16 of the Standalone Financial Statements)

- a) Cash and Bank Balances
 - i) Balance with banks on current accounts
 - ii) Cash on hand
- b) Other Bank balances
Margin money deposits #

Mar 31, 2017	Mar 31, 2016
5,53,01,402	1,05,035
37,292	1,13,930
5,53,38,694	2,18,965
60,03,350	51,25,123
6,13,42,044	53,44,088

Margin money deposits are given as security for opening of letter of credit with banks and represents deposits with original maturity of more than three months

5. Revenue from operations

(Note 19 of the Standalone Financial Statements)

Revenue from operations

- a) Sale of products
 - Export sales
 - b) Sale of services
 - Other operating revenue
 - c) Scrap sales
 - Revenue from operations (gross)
- Sale of Products is related to sale of Integrated Circuits (IC's)

Mar 31, 2017	Mar 31, 2016
29,90,93,420	25,09,78,869
5,62,86,428	43,54,723
14,83,703	35,12,649
35,68,63,551	25,88,46,241

6. Exceptional Items

(Note 27 to the Financial Statements)

- a) Profit on transfer of Immovable Property
- b) Inventory written off
- c) Expenses incurred during stoppage of production*

Mar 31, 2017	Mar 31, 2016
(21,09,47,344)	-
20,39,13,164	-
-	1,14,39,488
(70,34,180)	1,14,39,488

6.1 Profit on transfer of Immovable Property comprising Land and Building is recognised on the basis of agreements entered into, surrender of possession of the said properties in lieu of part consideration and legal opinion obtained in the matter.

6.2 Value of Inventory written off is pursuant to customers cancelling their orders due to change in technology and opting not to reimport the finished products produced from rawmaterial supplied by them.

6.3 The production was stopped for 27 days during the previous year due to the break down of the airconditioning plant. The depreciation charged on Plant and Machinery ₹.46,82,160, Employee benefit expenses ₹.57,07,904, Power and Fuel ₹. 9,45,00 and Miscellaneous Expenses ₹.1,04,424 for the said period has been accordingly considered and disclosed as an Exceptional Item in the previous year.

7. Earnings Per Share:

(Note 29 of the Standalone Financial Statements)

	Mar 31, 2017	Mar 31, 2016
a. Profit/(Loss) as per Statement of Profit and Loss	(8,78,53,779)	(19,79,00,143)
b. Weighted average number of equity shares outstanding (Nos)	4,61,17,443	4,61,17,443
c. Par value of equity shares	10.00	10.00
d. Basic and Diluted earnings per share	(1.90)	(4.29)



SPEL Semiconductor Limited

Notes to Abridged financial statements for the year ended Mar 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

8. Related party disclosures :

(Note 30 of the Standalone Financial Statements)

1. Names of related parties

a. Holding Company

- Natronix Semiconductor Technology Private Limited

a. Business Promotion - Marketing Fee

98,83,938 74,76,198

b. Accounts Payable.

1,64,30,890 94,27,785

b. Subsidiary Company

- SPEL America Inc.

(i) Business Promotion - Marketing Fee

- 63,90,023

(ii) Other Payables

35,60,356 54,10,843

c. Key Management Personnel

(i) Mr. D. Balakrishnan

Director and CEO

Remuneration

34,27,044 37,83,544

(ii) Mr. R. Venkatesh Kumar

Chief Financial Officer (up to Jan 20, 2016) *

Remuneration

- 14,37,510

(iii) Mr.V.Srinivasan

Chief Financial Officer (from Apr 02, 2016) *

Remuneration

14,73,537 -

(iv) Mr. S.S. Arunachalam

Company Secretary (from Nov 2, 2015) *

Remuneration

12,40,307 4,85,307

* Key managerial personnel as defined under the Companies Act, 2013



SPEL Semiconductor Limited

Notes to Abridged financial statements for the year ended March 31, 2017

9. Dues to Micro, Small and Medium Enterprises

(Note 36 of the Standalone Financial Statements)

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Company. The amount of principal and interest outstanding is given below:

Particulars	Mar 31, 2017	Mar 31, 2016
a) Principal amount and the interest due there on remaining unpaid to any supplier at the end of the accounting year		
Principal	2,60,344	375,685
Interest	1,81,706	104,389
b) The amount of Interest paid by the Company interms of Sec.16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each year.	-	-
c) The amount of Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed date during the year) but without adding interest specified un the MSMED Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of the accounting year.	181,706	104,389.00
e) The amount of further Interest remaining due and payable even in the succeeding years, until such date when the Interest dues above are actually paid to the supplier for the purpose of disallowance of a deductible expenditure under Sec.23 of the MSMED Act, 2006.	181,706	104,389.00

10. Current tax consists of income - tax on transfer of immovable property.

11. Transfer from Revaluation Reserve to General Reserve ₹ 10,33,07,842 represents pertaining to immovable property transfer during the year and consequently treated as realised.

12. Segment information

(Note 38 of the Financial Statements)

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz Integrated Circuits for overseas market. Hence, the Company does not have seperate non-overseas reportable geographical segment.

13. Subsidiary SPEL America Inc, is under dissolution.

14. Figures for the previous year have been reclassified / regrouped / amended, wherever necessary.

K Ravikumar

Director

DIN : 00119753

M. Jayasankar

Director

DIN : 00048351

Enakshi Bhattacharya

Director

DIN : 05277571

May 30, 2017

Chennai

D.Balakrishnan

Director & CEO

DIN : 02131242

V.Srinivasan

Chief Financial Officer

S.S. Arunachalam

Computer Secretary



Form AOC-1

(Pursuant of first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

Part A : Subsidiaries

Name of the subsidiary	SPEL America Inc
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency-US\$ Exchange rate - ₹ 64.97
Share capital	4,365
Reserves & Surplus	(2,86,332)
Total assets	38,11,143
Total Liabilities	38,11,143
Investments	Nil
Turnover	Nil
Profit before taxation	(2,46,478)
Provision for taxation	53,717
Profit after taxation	(3,00,195)
Proposed Dividend	Nil
% of shareholding	100%
Names of subsidiaries which are yet to commence operations	Not Applicable
Names of subsidiaries which have been liquidated or sold during the year.	Not Applicable

Part B : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures	Not Applicable
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	K. Ravikumar Director DIN : 00119753	M. Jayasankar Director DIN : 00048351
May 30, 2017 Chennai	D. Balakrishnan Director & CEO DIN : 02131242	V. Srinivasan Chief Financial Officer



**INDEPENDENT AUDITOR'S REPORT ON
ABRIDGED CONSOLIDATED FINANCIAL
STATEMENTS**

**TO THE MEMBERS OF SPEL SEMICONDUCTOR
LIMITED**

1. The accompanying abridged consolidated financial statements of SPEL SEMICONDUCTOR LIMITED ("the holding company") and its subsidiary together referred to as "the Group", which comprise the abridged consolidated balance sheet as at March 31, 2017, the abridged Consolidated Statement of Profit and Loss and abridged Consolidated cash flow statement for the year then ended, and related notes are derived from the audited consolidated financial statements of the Group for the year ended March 31, 2017. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated May 30, 2017.
2. The abridged consolidated financial statements do not contain all the disclosures required by the Accounting Standards referred to in Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 Applied in the preparation of the audited consolidated financial statements of the Group. Reading the abridged consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of the group.

**Management's Responsibility for the Abridged
Consolidated financial statements**

3. The Holding Company's Board of Directors is responsible for the preparation of a summary of the audited consolidated financial statements in accordance with Rule 10 of Companies (Accounts) Rules, 2014 and are based on the audited Consolidated financial statements for the year ended March 31, 2017, prepared in accordance with the accounting principles generally accepted in India including Accounting Standards prescribed under Section 133 of the Act as applicable.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the abridged consolidated financial statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810. "Engagements to Report on Summary Financial statements" issued by the Institute of Chartered Accountants of India.

Opinion

5. In our opinion, the abridged consolidated financial statements, prepared in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 are derived from the audited consolidated financial statements of the Group for the year ended March

31, 2017 and are a fair summary of those consolidated financial statements.

Emphasis of Matter

6. We draw attention to the following matters in Notes 7 to the Consolidated Abridged Financial Statements:

(i) During the year-end, the Holding Company has entered into agreements to sell portion of its immovable property for an aggregate sum of ₹ 3,284.94 lakhs and surrendered possession of the same in lieu of part consideration received. Sale deeds has been executed and registered subsequent to year end for a portion of the same. Profit on sale recognised during the year pursuant to the above agreements and included in the abridge consolidated financial statements is ₹ 2,109.48 Lakhs.

(ii) The value of Box Stock written off ₹ 2,039.13 Lakhs is based on review of the carrying value by a Committee constituted by the Board of Directors and electronic confirmation received by the Company from certain customers who had supplied the base raw material. The said review by the Committee revealed that the customers had cancelled their orders due to change in technology of the finished product and opted not to reimport the finished product / raw material. Consequently, the carrying value of the same needed to be written off.

Our opinion is not modified in respect of these matters.

Other Matters

6. We did not audit the financial statements of a subsidiary (SPEL Inc. USA) whose financial statements which reflect total assets (net) of ₹38.11 lakhs as at March 31, 2017, total revenues 'Nil' and net cash outflows/(cash inflows) amounting to ₹(1.34) lakhs for the year then ended as considered in the consolidated financial statements. The financial statements and other financial information of the said subsidiary have been audited by another auditor whose report has been furnished to us by the Management. Our opinion, in so far it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the said other auditor.
7. Our opinion on the abridged consolidated financial statements, is not modified in respect of the above matters stated in paragraph 6 above with respect to our reliance on the work done and the report of the other auditor on the financial statements of the subsidiary.

For M.S. Krishnaswami&Rajan
Chartered Accountants
Registration No. 01554S

M.S. Murali-Partner
Membership No. 26453

Date: May 30, 2017
Chennai



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SPEL SEMICONDUCTOR
LIMITED**

**Report on the Consolidated Financial
Statements**

1. We have audited the accompanying consolidated financial statements of **SPEL SEMICONDUCTOR LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement, a summary of the significant Consolidated accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements") for the year then ended.

**Management's Responsibility for the
Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act as applicable.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. For conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial

statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in the other matters paragraph 9 below is sufficient and appropriate to provide a basis for our unmodified opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us based on our audit and on consideration of report of the other auditor on the financial statements of the subsidiary referred to below in the other matters paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to the following matters in Notes 27 to the Consolidated Financial Statement:
 - (i) During the year-end, the Holding Company has entered into agreements to sell portion of its immovable property for an aggregate sum of ₹ 3,284.94 lakhs and surrendered possession of the same in lieu of part consideration received. Sale deeds have been executed and registered subsequent

to year end for a portion of the same. Profit on sale recognised during the year pursuant to the above agreements and included in the consolidated financial statements is ₹ 2,109.48 Lakhs.

- (ii) The value of box stock written off ₹ 2,039.13 Lakhs in the standalone financial statements of the Holding Company (and consequently included in the consolidated financial statements of the Holding Company) is based on review of the carrying value by a Committee constituted by the Board of Directors and electronic confirmation received by the Company from certain customers who had supplied the base raw material. The said review by the Committee revealed that the customers had cancelled their orders due to change in technology of the finished product and opted not to reimport the finished product / raw material. Consequently, the carrying value of the same has been written off.

Our opinion is not modified in respect of these matters.

Other Matters

9. We did not audit the financial statements of a subsidiary (SPEL Inc. USA) whose financial statements reflect total assets (net) of ₹ 38.11 lakhs as at March 31, 2017, total revenues of Rs. Nil lakhs and net cash outflows/(cash inflows) amounting to (₹1.34) lakhs for the year then ended are reflected in the Consolidated Financial Statement. The Financial statements and other financial information of the said subsidiary have been audited by another auditor whose report has been furnished to us by the Management. Our opinion, in so far it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the report of the said other auditor.



10. Our opinion on the consolidated financial statements, is not modified in respect of the above matters stated in paragraph 9 above with respect to our reliance on the work done and the report of the other auditor on the financial statements of the subsidiary.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the report of the other auditor of its subsidiary company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports

of the Holding company only as there are no subsidiaries of the Holding Companies incorporated in India. Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Holding Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice – Also Refer Note 29 b to the consolidated financial statements.
 - ii. The Group did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
 - iii. There were no amounts, required by the transfer, to the investor education and protection Fund by the holding Company.
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to its holding dealings in Specified Bank Notes as defined in the notification S03407 (E) dated November 8, 2016 of the Ministry of Finance. during the period November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the Management representation, we report that the disclosures are in accordance with books of accounts maintained by the group and as produced to us by the Management- (Refer note 40 to the Consolidated Financial Statements).

For M.S. Krishnaswami & Rajan
Chartered Accountants
Registration No. 01554S

M.S. Murali-Partner
Membership No. 26453
May 30, 2017,
Chennai



ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 11 (f) under “Report on Other Legal and Regulatory Requirements” section of our report of even date) Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of SPEL SEMICONDUCTOR LIMITED (hereinafter referred to as “the Holding Company”) as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the SPEL SEMICONDUCTOR LIMITED as of and for the year then ended.

Management’s Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the criteria established by the holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial

reporting of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.



Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has maintained, in all material aspects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017 based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls Over Financial reporting issued by the Institute of Chartered Accountants of India.

For M.S. Krishnaswami & Rajan

Chartered Accountants
Firm's Registration No. 01554S

M.S. Murali

Partner
Membership No. 26453
May 30, 2017
Chennai



SPEL Semiconductor Limited

Abridged Consolidated Balance Sheet as at Mar 31, 2017

(Statement containing salient features of Consolidated Balance Sheet as per the first proviso to Sub-section (1) of section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	'Mar 31, 2017	'Mar 31, 2016
Equity and liabilities			
1) Shareholders' funds			
(a) Paid-up Equity Share capital		46,13,25,280	46,13,25,280
(b) Reserves and surplus			
i. Capital reserve		16,500	16,500
ii. Revaluation reserve		10,07,29,126	20,40,36,967
iii. Surplus in profit and loss account		(8,62,49,051)	19,00,575
iv. Securities premium		47,34,618	47,34,618
v. General reserve		10,33,07,842	
		58,38,64,315	67,20,13,940
2) Non-current liabilities			
i. Long-term borrowings	3	13,30,78,273	-
ii. Deferred tax liabilities (net)	4	5,82,26,090	6,66,68,117
iv. Long-term provisions		4,05,90,471	3,35,53,048
		23,18,94,834	10,02,21,165
3) Current liabilities			
i. Short-term borrowings		14,91,93,919	16,16,00,691
ii. Trade payables			
(a) Total outstanding dues of Micro Small and Medium enterprises		2,60,343	9,13,945
(b) Total outstanding dues of creditors other than Micro Small and Medium enterprises		12,57,30,648	9,82,25,369
iii. Other current liabilities		13,02,58,955	26,49,64,488
iv. Short-term provisions		1,09,66,778	58,32,102
		41,64,10,643	53,15,36,595
Total		123,21,69,792	130,37,71,700
Assets			
4) Non-current assets			
a) Fixed assets			
i. Tangible assets (Original cost less depreciation)		68,86,99,991	87,19,66,868
ii. Intangible assets		1,49,774	53,814
b) Long-term loans and advances		4,57,40,322	4,62,22,111
c) Other non-current assets		-	5,14,413
		73,45,90,087	91,87,57,206
5) Current assets			
i. Inventories		12,32,04,033	33,81,85,573
ii. Trade receivables		15,49,06,064	3,82,15,337
iii. Cash and Bank balances		6,15,92,831	54,60,465
iv. Short-term loans and advances		1,16,72,870	30,76,957
v. Other current assets		14,62,03,907	76,162
		49,75,79,705	38,50,14,494
Total		123,21,69,792	130,37,71,700

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Consolidated Balance Sheet. Note: Complete Consolidated Balance Sheet, Consolidated Profit and Loss, Consolidated Cash Flow Statement and notes thereto prepared as per Schedule III to the Companies Act, 2013 are available at the Company's website: www.spel.com.

In terms of our report of even date
For M.S Krishnaswami & Rajan
Chartered Accountants

M.S. Murali
Partner

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Enakshi Bhattacharya
Director
DIN : 05277571

May 30, 2017
Chennai

D. Balakrishnan
Director & CEO
DIN : 02131242

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary



SPEL Semiconductor Limited

Abridged Consolidated Statement of Profit and Loss for the year ended Mar 31, 2017

(Statement containing salient features of Consolidated Profit & Loss as per the first proviso to Sub-section (1) of section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	Mar 31, 2017	Mar 31, 2016
Income			
Revenues from operations (gross)	6	35,68,63,551	25,88,46,241
Less: excise duty		1,93,669	3,42,000
Revenues from operations (net)		35,66,69,882	25,85,04,241
Other income		1,92,84,480	81,30,581
Total revenue (I)		37,59,54,362	26,66,34,822
Expenses			
Cost of raw materials and components consumed		12,70,00,369	10,73,12,117
Changes in inventories of finished goods and work in progress		36,86,204	(25,11,100)
Employee benefits expense		13,34,91,657	13,90,88,235
Finance costs		2,67,03,941	3,04,64,835
Depreciation and amortization expense		7,11,19,948	10,71,59,635
Other expenses		10,53,82,331	10,99,24,646
Total Expenses (II)		46,73,84,450	49,14,38,368
Profit / Loss before Exceptional Items and Tax		(9,14,30,088)	(22,48,03,546)
Exceptional Items	7	(70,34,180)	(1,14,39,488)
Profit / (loss) before tax (I-II)		(8,43,95,908)	(23,62,43,034)
Tax expenses			
Current tax		1,21,95,743	52,716
Deferred tax		(84,42,027)	(3,83,33,357)
Profit / (Loss) after tax		(88,149,625)	(197,962,393)
Earnings per share (EPS) (Refer Note 30 of the Consolidated Financial Statements)			
- Basic and Diluted	8	(1.91)	(4.29)

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Consolidated Statement of Profit and Loss Account.

In terms of our report of even date

For M.S Krishnaswami & Rajan

Chartered Accountants

M.S. Murali
Partner

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Enakshi Bhattacharya
Director
DIN : 05277571

May 30, 2017
Chennai

D. Balakrishnan
Director & CEO
DIN:02131242

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary



SPEL Semiconductor Limited

Abridged Consolidated Cash flow statement for the year ended Mar 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

(Statement containing salient features of Consolidated Cash Flow Statement as per the first proviso to Sub-Section (1) of Section 136 of the Act and Rule 10 of the Companies (Accounts) Rules, 2014)]

Particulars	Mar 31, 2017	Mar 31, 2016
Cash flows from operating activities (A)	(15,54,12,122)	(6,95,84,604)
Cash flows from investing activities (B)	6,82,87,626	88,81,785
Cash flows from financing activities (C)	14,23,79,201	6,00,51,029
Net increase / (decrease) in cash and cash equivalents (A+B+C)	5,52,54,705	(6,51,790)
Cash and cash equivalents at the beginning of the year	3,35,342	8,18,151
Exchange differences on translation of foreign currency cash and cash equivalents	(566)	1,68,981
Cash and cash equivalents at the end of the year	5,55,89,481	3,35,342

(as per Note 5 (a) of the Abridged consolidated Financial Statements)

Note: Proceeds on disposal of fixed assets ₹.5,97,38,400 is after adjustment of advance of ₹.12,25,00,000 received during the earlier year.

The Statement of significant accounting policies and the accompanying notes are an integral part of this Abridged Consolidated Cash Flow Statement.

In terms of our report of even date

For M.S Krishnaswami & Rajan

Chartered Accountants

M.S. Murali
Partner

K. Ravikumar
Director
DIN : 00119753

M. Jayasankar
Director
DIN : 00048351

Enakshi Bhattacharya
Director
DIN : 05277571

May 30, 2017
Chennai

D. Balakrishnan
Director & CEO
DIN : 02131242

V. Srinivasan
Chief Financial Officer

S.S. Arunachalam
Company Secretary



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. Accounting convention

- 1.1 The Consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for certain categories of fixed assets acquired before 1 April, 2008, that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .
- 1.2 All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

2. Use of Estimates

The preparation of consolidated financial statements, in conformity with the generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosure of contingent liabilities and reported amounts of revenues and expenses for the year. Estimates are based on historical experience, where applicable and other assumptions that management believes are reasonable under the circumstances. Actual results could vary from these estimates and any such differences are dealt with in the period in which the results are known/ materialize.

3. Tangible and Intangible Fixed assets and depreciation / amortisation

- 3.1 Expenditure which are of a capital nature are capitalized at a cost, which comprises purchase price (net of rebates and discounts), import duties, levies and any directly attributable cost of bringing the assets to its working condition for the intended use. Cost of fixed assets is net of eligible credits under CENVAT / VAT Scheme. Expenditure directly related and incidental to construction / development and borrowing costs in para 4 below are capitalised upto the date the assets are ready for their intended use. Exchange differences are capitalised to the extent dealt with in para 7.3 below.
- 3.2 Assets are depreciated / amortised, as below, on straight line basis:
- Buildings, assets in leased premises, plant and machinery (except assets subject to impairment) and other assets, over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.
 - Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.
 - Intangible assets are amortized over their estimated useful life.
 - Depreciation / amortisation is provided on a pro-rata basis from the month the assets are put to use during the financial year. In respect of assets sold or disposed off during the year, depreciation / amortisation is provided upto the month of sale or disposal of the assets.
 - At each balance sheet date, the carrying values of fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the said

4. Borrowing Cost

Borrowing cost are capitalized as part of the cost of qualifying asset when it is possible that they will result in future economic benefit. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

5. Investments

Long Term Investments are carried at cost. Provision for diminution is however made to recognised a decline, other than temporary in nature, in its value.

6. Inventories

- 6.1 Inventories are valued at lower of cost and net realisable value; cost being ascertained on the following basis:
- Stores, spares, consumables, raw materials and components On weighted average basis.
 - Work-in-progress under absorption costing method.
 - Finished / trading goods: under absorption costing method.
- 6.2 Cost includes taxes and duties and is net of eligible credits under CENVAT / VAT Schemes.
- 6.3 Surplus / obsolete / slow moving inventories are adequately provided for.



7. Foreign Currency Transactions

- 7.1 Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Monetary items denominated in foreign currency as at the balance sheet date are translated at the rate of exchange prevailing at the year end. Exchange differences arising on actual payments / realizations and year end restatements are dealt with in the Statement of profit and loss.
- 7.2 Exchange difference on translation or settlement of long term foreign currency monetary item (i.e. whose terms of settlement is 12 months from the date of its origination) at rates different from those at which they were originally recorded are reported in the previous financial statements, relating to acquisition of depreciable assets are adjusted to the cost of the assets.

8. Segment Reporting

The Group's primary segment is identified as business segment based on nature of product, risks, returns and the internal business reporting system and secondary segment is identified based on geographical location of the customers as per Accounting Standard – 17. The Group is principally engaged in a single business segment viz. Integrated Circuits.

9. Revenue Recognition

- 9.1 Sale of goods:
Revenue from sale of products is recognised on despatch or appropriation of goods in accordance with the terms of sale, when the significant risks and rewards of ownership of goods have been passed to the buyer and is inclusive of excise duty.
- 9.2 Sale of Services:
Revenue from services is recognised on completion of the service in accordance with the terms of contract.
- 9.3 Others
Interest income is recognised on time proportion basis.

10. Employee Benefit

- 10.1 Short term employee benefit obligations are estimated and provided for.
- 10.2 Post-employment benefits and other long term employee benefits
Defined contribution plans:
Group's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and / or statute and charged to the Statement of Profit and Loss in the period of incurrence.
Defined benefit plans
Group's liability towards retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

11. Income taxes

- 11.1 Income tax expenses comprise current and deferred taxes. Current tax is determined on the income for the year chargeable to tax in accordance with applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Group resulting in payment of normal income tax.
- 11.2 Deferred tax is recognized for all the timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date.
- 11.3 Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.
- 11.4 Foreign company recognise tax assets / liabilities in accordance with applicable local laws

12. Provisions and Contingencies

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.



SPEL Semiconductor Limited

Notes to Abridged Consolidated financial statements for the year ended Mar 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

1. The following subsidiary company is considered in the consolidated financial statements

Name of the subsidiary company : SPEL America, Inc

Country of incorporation : USA

% of ownership interest (Mar 31, 2017): 100%

Note : Note 28.1 (c) of the Consolidate Financial Statements)

Subsidiary SPEL America Inc, is under dissolution.

2. **Contingent Liabilities and commitments (to the extent not provided)**

(Note 29 (b) in Consolidated Financial Statements)

- i) Contingent Liabilities

- Letter of Credit for import purchases

- Income Tax Demand

Future cash outflows, in respect of the above are not determinable.

- ii) Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for

	Mar 31, 2017	Mar 31, 2016
	2,56,26,745	1,41,09,424
	42,82,564	40,19,136
	Nil	Nil

3. **Long Term Borrowings**

(Note 3 of the Financial Statements)

3.1 Term loan from banks are secured by first charge on all immovable assets including land and building at 5, CMDA Industrial Estate, Maraimalai Nagar and other movable/immovable fixed assets of the Company and further secured by second charge over entire stocks, book debts and all other current assets of the Company, both present and future. Term Loan was also secured by personal gaurantee of Dr. A.C.Mutthiah.

3.2 The term loan was repayable in 16 equal quarterly installments commencing from 25.04.2012. The applicable interest rate was 14.25% p.a payable monthly. The principal amount of ₹.1,46,44,719 due on Jan 25, 2016 was outstanding as at Mar 31, 2016 along with overdue interest of ₹.16,58,903.

3.3 During the year, unsecured non-convertible Debentures aggregating to ₹.7,00,00,000 bearing 10% interest has been issued under private placement. The said debentures are secured by specified plant and machinery as per debenture deed.

3.4 Unsecured Loan from others represents amount brought in by promoters of the company in purasance of the stipulation of the bank. The amount so brought is aggregated ₹. 6,50,00,000 is repayable in 137 installments and carriers interest of 12% per annum with monthly rests.

4. Deferred tax liabilities (Net)

(Note 4 of the Consolidated Financial Statements)

- a) Deferred tax liability due to Depreciation

- b) Deferred tax asset arising out of

i) Provision for Gratuity / Leave encashment

ii) Carry forward losses / Unabsorbed depreciation

iii) Other timing differences

	Mar 31, 2017	Mar 31, 2016
	9,24,24,190	10,43,04,788
	9,24,24,190	10,43,04,788
	1,33,22,604	1,48,36,947
	1,28,83,116	1,28,83,116
	79,92,380	99,16,608
	3,41,98,100	3,76,36,671
	5,82,26,090	6,66,68,117



SPEL Semiconductor Limited

Notes to Abridged Consolidated financial statements for the year ended Mar 31, 2017

5. Cash and Bank Balances

(Note 15 in Consolidated Financial Statements)

(a) Cash and Bank Balances

- i) Balance with banks on current accounts
- ii) Cash on hand

(b) Other bank balances

Margin money deposit #

	Mar 31, 2017	Mar 31, 2016
	5,55,52,189	2,21,412
	37,292	1,13,930
	5,55,89,481	3,35,342
	60,03,350	51,25,123
	6,15,92,831	54,60,465

Margin money deposits are given as security for opening of letter of credit with banks

6. Revenue from operations

(Note 18 in Consolidated Financial Statements)

Revenues from operations

Sale of products

Export sales

Sale of services

Other operating revenue

Scrap sales

	Mar 31, 2017	Mar 31, 2016
	29,90,93,420	25,09,78,869
	5,62,86,428	43,54,723
	14,83,703	35,12,649
	35,68,63,551	25,88,46,241

Revenue from operations (gross)

Sale of Products is related to sale of Integrated Circuits (IC's)

7. Exceptional Items

(Note 26 to the Financial Statements)

- a) Profit on transfer of Immovable Property
- b) Inventory written off
- c) Expenses incurred during stoppage of production

	Mar 31, 2017	Mar 31, 2016
	(21,09,47,344)	-
	20,39,13,164	-
	-	1,14,39,488
	(70,34,180)	1,14,39,488

7.1. Profit on transfer of Immovable Property comprising Land and Building is recognised on the basis of agreements entered into, surrender of possession of the said properties in lieu of part consideration and legal opinion obtained in the matter.

7.2. Value of Inventory written off is pursuant to customers cancelling their orders due to change in technology and opting not to reimport the finished products produced from rawmaterial supplied by them.

7.3 The production was stopped for 27 days during the previous year due to the break down of the Airconditioning plant. The depreciation charged on plant and machinery ₹46,82,160, Employee benefit expenses ₹ 57,07,904, Power and Fuel ₹ 9,45,00 and Miscellaneous Expenses ₹ 1,04,424 for the said period has been accordingly considered and disclosed as an Exceptional Item in the previous year.

8. Earnings Per Share: (Note 30 of the Consolidated Financial Statements)

- a. Profit/(Loss) as per Statement of Profit and Loss
- b. Weighted average number of equity shares outstanding (Nos)
- c. Par value of equity shares - Rs.
- d. Basic and Diluted earnings per share - Rs.

	Mar 31, 2017	Mar 31, 2016
	(8,81,49,625)	(19,79,62,393)
	4,61,17,443	4,61,17,443
	10.00	10.00
	(1.91)	(4.29)



SPEL Semiconductor Limited

Notes to Abridged financial statements for the year ended Mar 31, 2017

(All amounts are in Indian Rupees unless otherwise stated)

9. Related party disclosures:

(Note 30 of the Consolidated Financial Statements)

a. Holding Company

- Natronix Semiconductor Technology Private Limited

a. Business Promotion - Marketing Fee

b. Accounts Payable.

b. Key Management Personnel

(i) Mr. D. Balakrishnan

Director and CEO

Remuneration

(ii) Mr. R. Venkatesh Kumar

Chief Financial Officer (up to Jan 20, 2016) *

Remuneration

(iii) Mr. V. Srinivasan

Chief Financial Officer (from Apr 02, 2016) *

Remuneration

(iv) Mr. S.S. Arunachalam

Company Secretary (from Nov 2, 2015) *

Remuneration

	Mar 31, 2017	Mar 31, 2016
	98,83,938	74,76,198
	1,64,30,890	94,27,785
	34,27,044	37,83,544
	-	14,37,510
	14,73,537	-
	12,40,307	4,85,307

* Key managerial personnel as defined under the Companies Act, 2013

10. Current tax includes income tax on transfer of immovable property.

11. Transfer from Revaluation Reserve to General Reserve ₹ 10,33,07,842 represents pertaining to immovable property transfer during the year and consequently treated as realised.



SPEL Semiconductor Limited

Notes to Abridged Consolidated financial statements for the year ended Mar 31, 2017

12. Segment information

(Note 37 of Consolidated Financial Statements)

The company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz Integrated Circuits for overseas market. Hence, the Company does not have separate non-overseas reportable geographical segment.

13. Additional Information, as required under Schedule III to the Companies Act, 2013 of entities consolidated as Subsidiaries.

(Note 38 of consolidated financial statements)

Name of the Entity	Net Assets		Share of Profit / Loss	
	As a % of Consolidated Net Assets	Amount	As a % of Consolidated Profit or Loss	Amount
Spel Semiconductor Limited	100.048	58,41,46,281	99.664	(8,78,53,779)
Foreign Subsidiary				
Spel America INC	(0.048)	(2,81,967)	0.341	(3,00,195)
Less Adjustment			(0.005)	4,349
Total	100.00	58,38,64,315	100.00	(8,81,49,625)

14. Figures for the previous year have been reclassified / regrouped / amended, wherever necessary.

	K. Ravikumar Director DIN : 00119753	M. Jayasankar Director DIN : 00048351	Enakshi Bhattacharya Director DIN : 05277571
May 30, 2017 Chennai	D. Balakrishnan Director & CEO DIN : 02131242	V. Srinivasan Chief Financial Officer	S.S. Arunachalam Company Secretary



SPEL Semiconductor limited

Registered Office : 5 CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209

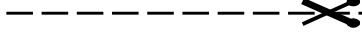
Attendance Slip

Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 32nd Annual General Meeting of the Company to be held at 3.30 pm on Thursday, Sep 7, 2017 at 5 CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209.

_____ Signature
Full Name of the Member (in block letters)
Folio No : _____ DP ID No.* _____ Client ID No.* _____
*Applicable if Members holding shares in electronic form

_____ Signature
Full Name of the proxy (in block letters)
Note : 1. Member/proxy holder wishing to attend the meeting must bring the attendance Slip to the Meeting.
2. Member / proxy holder desiring to attend the meeting should bring his copy of the Notice for reference at the meeting.



SPEL Semiconductor Limited

Regd. Office : 5 CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209

Telephone : 91 (44) 4740 5300, Fax No. 91 (44) 4740 5303 / 5404, Website : www.spel.com, Email: info@spel.com.

CIN : L32201TN1984PLC011434

PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

Name of the Member(s)	
Registered Address	
Folio No./Client ID	
E-mail ID	

I/We, being the Member(s) of _____ shares of the above named Company hereby appoint

1.	Name	Address :
	E-Mail ID	Signature :
or falling him / her		
2.	Name	Address :
	E-Mail ID	Signature :
or falling him / her		
3.	Name	Address :
	E-Mail ID	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Thursday, Sep 7, 2017 at 3.30 pm at the Registered Office of the Company at 5, CMDA Industrial Estate, Maraimalai Nagar (Chennai) 603 209 and at any adjournment thereof in respect of Such resolutions as are indicated below :



----- ✂ ----- ✂ -----

Resolution Number	Resolution	Vote (Optional see note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of Audited Financial Statements for the financial year ended Mar 31, 2017 and reports of the Board of Directors and the Auditors thereon			
2.	Re-appointment of Mr. D. Balakrishnan as the Director, liable to retire by rotation			
3.	Re-appointment of M/s. M. S. Krishnaswami & Rajan, Chartered Accountants, as Statutory Auditors			
Special Business				
4.	Service and Delivery of Documents			

Signed this _____ day of _____ 2017.

Affix One
Rupee
Revenue
Stamp

Signature of Shareholder

Signature of proxy holder(s)

Notes

1. This Form, In Order to be effective Should be duty Stamped, Completed, Signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. A Member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as proxy. However, such person shall not act for any other person or Shareholder.
4. Please provide your email ID, if it is not provided already.